

CITY OF LINCOLN,  
STATE OF CALIFORNIA  
COMPREHENSIVE ANNUAL FINANCIAL REPORT

*For the Fiscal Year Ended  
June 30, 2014*



*Prepared by the  
Administrative Services Department  
Finance Division*

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**CITY OF LINCOLN**  
**Comprehensive Annual Financial Report**  
**For the Year Ended June 30, 2014**

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## **INTRODUCTORY SECTION**

- **Transmittal Letter**
- **List of Officials**
- **Organizational Chart**

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February 19, 2015

To the Honorable Mayor and Members of the City Council of the City of Lincoln:

I am pleased to present the Comprehensive Annual Financial Report (CAFR) of the City of Lincoln (City) for the fiscal year ended June 30, 2014 in accordance with the Lincoln Municipal Code Section 2.20.030(C). The basic financial statements and supporting schedules have been prepared in accordance with Generally Accepted Accounting Principles (GAAP) for local governments as established by the Governmental Accounting Standards Board (GASB).

Management assumes full responsibility for the completeness and reliability of the information contained in this report, based upon a comprehensive framework of internal control that it has established for this purpose. Because the cost of internal control should not exceed anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements. The City contracted with Smith & Newell CPAs, a firm of Certified Public Accountants, to perform the annual independent audit. The independent auditor's report is included in the Financial Section of this report. Management's Discussion and Analysis (MD&A) immediately follows the independent auditor's report and provides a narrative introduction, overview, and analysis of the basic financial statements. MD&A complements this letter of transmittal and should be read in conjunction with it.

### **Profile of the Government**

The City of Lincoln was incorporated in 1890 and is located 25 miles northeast of Sacramento in the northernmost region of South Placer County. The City occupies 20 square miles and serves a population of 43,818 people. The City of Lincoln was named the 2006 winner of the coveted All-America Cities Award given by the National Civic League – the nation's longest running and most prestigious civic recognition program. Lincoln is a General Law City, formed under the State legislative process and structured under the provisions of the California constitution. The Mayor and City Council is the governing body of the City and is comprised of five elected officials, who serve "at large" rather than by district, each for four-year terms. City voters also elect a City Treasurer who serves a four-year term.

Lincoln is operated under the Council-Manager form of government. The City Council hires the City Manager, who is then responsible for all management functions of the City, including development of the budget, delivery of services, hiring of personnel and implementation of capital projects. The City provides a full range of services including public safety (police and fire), sanitation, water and sewer service, library, recreational and cultural activities, public improvements, planning, zoning and general administrative services. The City also operates a municipal airport and transit system.

The City Council adopts an annual budget prior to the beginning of each fiscal year (July 1). This annual budget serves as the foundation for the City of Lincoln's financial planning and control. The City's budget is a detailed operating plan that identifies estimated costs in relation to estimated revenues. Ultimate budgetary control resides at the fund level. However, the City

has adopted a number of budgetary appropriation and transfer procedures to provide strong internal controls while encouraging improved accountability and administrative responsiveness. All transfers between funds require City Council review and approval.

### **Local Economy**

The City of Lincoln's recovery from the recent economic recession has been slow. The City has, in recent years, seen a significant resurgence of development activity as well as an end to declining property and sales tax revenue which is a positive indication that the City is moving toward stronger economic health.

The City's unemployment rate rose from 9.0 percent in 2004 to a high of 20.2 percent in 2010 and had dropped to 16.9 percent by 2012 (the most recent date official data is available). According to the California Department of Housing and Community Development (HCD), the 2012 median income for a four-person household in Placer County was \$76,100. In 2010, the median household income in Lincoln was \$73,375, slightly below Placer County's median income of \$74,447.

During Fiscal Year 2013-14, the City Council continued its efforts to return the City to fiscal stability by adopting a balanced operating budget with sufficient revenues to cover anticipated expenditures. The City Council approved funding for a comprehensive effort to evaluate economic development opportunities which would encourage additional business activities within the City. Public safety represents the single largest expenditure category within the governmental activities fund group. During the past ten years, expenditures related to public safety have increased not only in amount, but also as a percentage of total expenditures in governmental funds. For the fiscal year ended June 30, 2014, public safety costs totaled \$8.6 million or 40.2 percent of total governmental activities expenditures compared to \$4.4 million (21.5 percent of total governmental activities expenditures) in Fiscal Year 2003-04. Much of this increase reflects a state-wide trend that has seen the salaries and benefits of police and firefighters growing at a faster rate than those of other categories of public-sector employees.

### **Long-term Financial Planning**

Committed and unassigned fund balance (the balance after nonspendable, restricted, and assigned components of fund balance) in the General Fund at year end was \$7.5 million or 51.2 percent of total General Fund expenditures and transfer-out. This is consistent with the City Council approved General Fund Reserves Policy which provides for a minimum of \$2 million or 15 percent of General Fund expenditures (whichever is greater) to be set aside in a Catastrophic Reserve to meet operational needs during times of a declared emergency or major catastrophe and an additional Economic Reserve funded at a minimum of 15 percent of General Fund expenditures to maintain the City's economic vitality and to meet seasonal cash flow shortfalls.

### **Major Initiatives**

During the 2013-14 fiscal year, the City continued implementation of a Strategic Action Plan to promote business retention and expansion and to attract and grow new business within the City of Lincoln. During the past years, the City also saw the completion of the Highway 65 Bypass (the longest stretch of freeway built in California in the last ten years) which will provide improved mobility and economic stimulus for the City's airport and industrial area. In addition, several major residential development projects moved forward including the \$73 million Mid-Western Placer Regional Sewer Project.

### **Relevant financial policies**

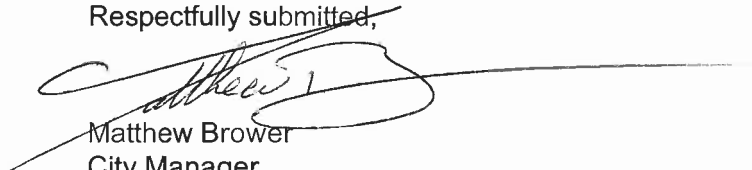
The City of Lincoln has adopted a comprehensive set of financial policies. Recognizing that fiscal stability is an important factor to mitigate current and future risks and to ensure long-term financial planning, a General Fund Reserves Policy has been developed to maintain adequate reserve funds for known and unknown contingencies. Policies providing guidance for inter-fund loans and managing accounts receivable have also been implemented.

### **Acknowledgements**

The preparation of this report was made possible by the dedicated service of the City's Administrative Services Department's Finance Division with support from all City departments. It is noteworthy to point out that this year's audit opinion is unmodified and largely due to the herculean efforts by staff driven by the Finance Division and reasonable auditors.

Credit also must be given to the Mayor and members of the City Council for their support in planning and conducting the financial operations of the City of Lincoln in a responsible, professional and fiscally prudent manner.

Respectfully submitted,



Matthew Brower  
City Manager

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**CITY OF LINCOLN**  
**City Officials**  
**For the Year Ended June 30, 2014**

**Elected Officials**

Gabriel Hydrick . . . . . Mayor  
Paul Joiner . . . . . Mayor Pro Tem  
Peter Gilbert . . . . . Councilmember  
Stan Nader. . . . . Councilmember  
Spencer Short . . . . . Councilmember  
Terrence Dorsey.. . . . City Treasurer

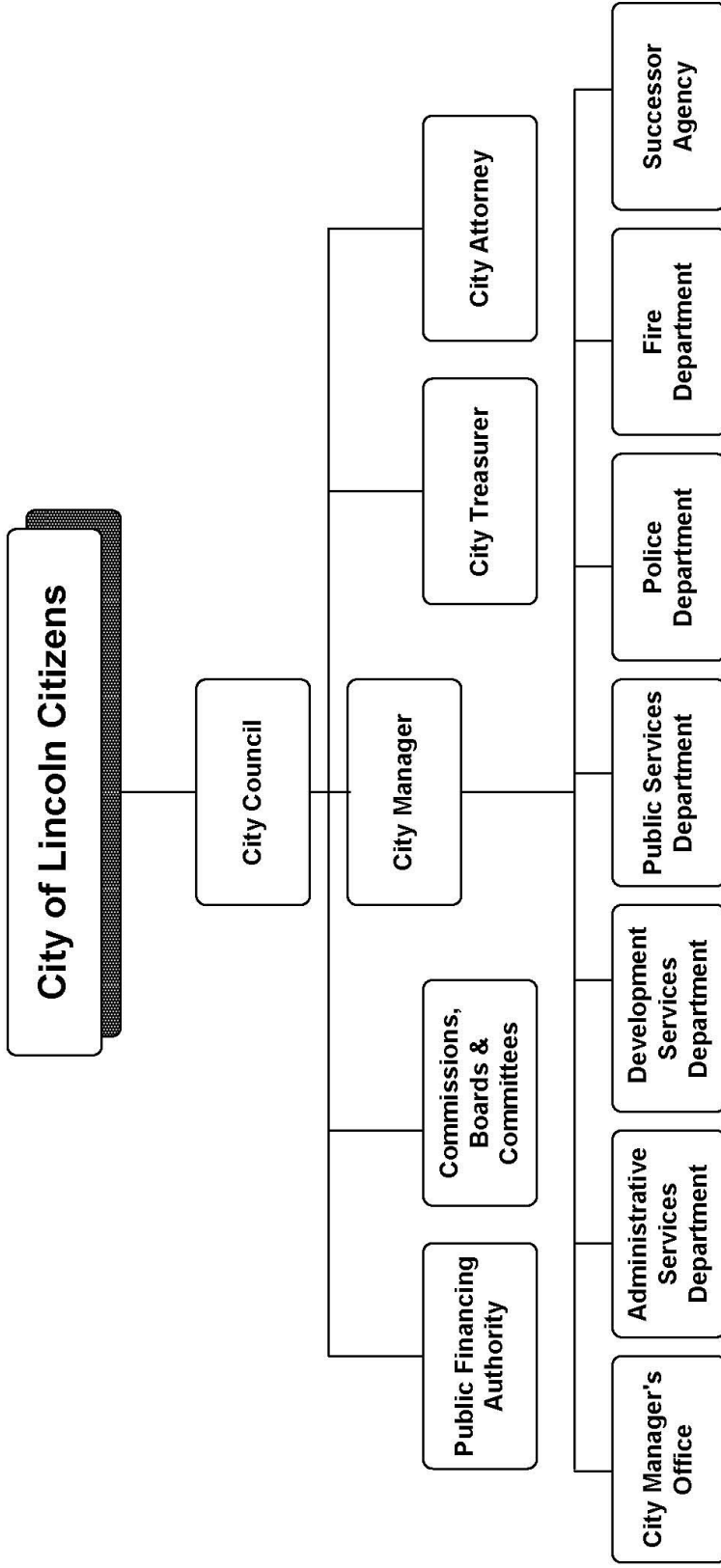
**Appointed Officials**

Jim Estep. . . . . City Manager  
Patricia Avila. . . . . City Clerk

**Department Heads**

April Wooden. . . . . Director of Community Development  
Rex Marks. . . . . Chief of Police  
Mike Davis.. . . . Interim Fire Chief  
Belen Fernandez. . . . . Interim Library Director  
Gilbert Garcia. . . . . Administrative Services Director

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## **FINANCIAL SECTION**

- **Independent Auditor's Report**
- **Management's Discussion and Analysis**
- **Basic Financial Statements**
- **Required Supplementary Information**
- **Combining and Individual Fund Statements and Schedules**

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**INDEPENDENT AUDITOR'S REPORT**

To the Honorable Mayor and Members of the City Council  
City of Lincoln  
Lincoln, California

**Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Lincoln, California (City), as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

**Management's Responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

**Auditor's Responsibility**

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

To the Honorable Mayor and Members of the City Council  
City of Lincoln  
Lincoln, California

## **Unmodified Opinions**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City as of June 30, 2014, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## **Emphasis of Matter**

As discussed in Note 2A to the basic financial statements, errors were detected in prior year net position and fund balance. The correction of these errors resulted in the restatement of beginning net position/fund balance for the year ended June 30, 2014.

As discussed in Note 2B to the basic financial statements, the City currently has negative fund balance/unrestricted net position in certain funds that do not have an immediate revenue source to cover these negative amounts. The financial statements do not include any adjustments that might result from the outcome of this uncertainty.

As described in Note 1R to the financial statements, in 2014, the City implemented Governmental Accounting Standards Board (GASB) Statement No. 70. Our opinion is not modified with respect to this matter.

## **Other Matters**

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information as listed in the table of contents be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### *Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements, and statistical section, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

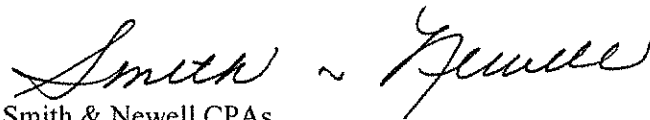
To the Honorable Mayor and Members of the City Council  
City of Lincoln  
Lincoln, California

The combining and individual nonmajor fund financial statements are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements are fairly stated in all material respects in relation to the basic financial statements as a whole.

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on them.

#### **Other Reporting Required by Government Auditing Standards**

In accordance with Government Auditing Standards, we have also issued our report dated February 19, 2015 on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the City's internal control over financial reporting and compliance.

A handwritten signature in cursive script, appearing to read "Smith & Newell", is written in dark ink.

Smith & Newell CPAs  
Yuba City, California  
February 19, 2015

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**Management's Discussion and Analysis  
(Unaudited)**

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## CITY OF LINCOLN MANAGEMENT'S DISCUSSION AND ANALYSIS

As Management of the City of Lincoln (City), we offer readers of the City's financial statements this narrative overview and analysis of the financial activities of the City of Lincoln for the fiscal year ended June 30, 2014. We encourage readers to consider the information presented here in conjunction with the City's basic financial statements following this section.

### FINANCIAL HIGHLIGHTS

- The assets of the City of Lincoln exceeded its liabilities at the close of the most recent fiscal year by \$812,185,557 (net position). Unrestricted funds showed a positive balance of \$2,356,285.
- The City's total net position increased by \$322,995,803. Governmental activities increased the City's net position by \$66,666,757 and business-type activities increased the City's net position by \$256,329,046. Included in these increases is a restatement of net position as shown in Note 2 on page 38.
- As of June 30, 2014, the City's governmental funds reported combined ending fund balances of \$64,283,182 an increase of \$13,307,497 in comparison with the prior year. Nonspendable, restricted, committed, and assigned funds totaled \$82,720,797, whereas unassigned funds registered a negative balance of \$18,437,615.
- At the end of the fiscal year, the unassigned fund balance of the General fund was \$3,819,021 or 30% of total General fund expenditures.

### OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction of the City's basic financial statements. The City's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the basic financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

**Government-Wide Financial Statements.** The *government-wide financial statements* are designed to provide readers with a broad overview of the City's finances, in a manner similar to a private-sector business.

The *statement of net position* presents information on all of the City's assets and liabilities, with the difference between the two reported as *net position*. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City of Lincoln is improving or deteriorating.

The *statement of activities* presents information showing how the City's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of related cash flows*. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g. uncollected taxes and earned but unused vacation leave).

Both of the government-wide financial statements distinguish functions of the City of Lincoln that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the City of Lincoln included general government, public safety, public works and facilities, culture and recreation, urban redevelopment and housing, and education. The business-type activities of the City of Lincoln included water, wastewater operations, solid-waste, transit, and airport.

The Lincoln Public Financing Authority, although legally separate, functions for all practical purposes as departments of the City of Lincoln and, therefore, have been included as an integral part of the primary government.

## CITY OF LINCOLN MANAGEMENT'S DISCUSSION AND ANALYSIS

The government-wide financial statements can be found on pages 16-17 of this report.

**Fund Financial Statements.** A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City of Lincoln, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds in the City of Lincoln can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

**Governmental funds.** *Governmental funds* are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on *near-term inflows and outflows of spendable resources*, as well as on *balances of spendable resources* available at the end of the fiscal year. Such information may be useful in evaluating a City's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the City's near term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

The City of Lincoln maintains 46 individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General fund, Public Facility Element (PFE) funds, and Water Connections special revenue fund. All of these are considered to be major funds. Data from the remaining governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of *combining statements* elsewhere in this report.

The basic governmental fund financial statements can be found on pages 18-21 of this report.

**Proprietary funds.** The City of Lincoln maintains two different types of proprietary funds. *Enterprise funds* are used to report the same functions presented as *business-type activities* in the government-wide financial statement. The City of Lincoln uses enterprise funds to account for its water, wastewater, solid-waste, airport and transit operations. *Internal service funds* are an accounting device used to accumulate and allocate costs internally among the City's various functions. The City of Lincoln uses the internal service fund to account for its internal services, vehicle fleet replacement, and facility maintenance. Since all of these services predominantly benefit governmental rather than business-type functions, they have been included within *governmental activities* in the government-wide financial statements.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for its water, wastewater, solid waste, and airport operations, as all of these are considered to be major funds of the City of Lincoln. Data from the remaining proprietary fund is combined into a single aggregate presentation.

The basic proprietary fund financial statements can be found on pages 22-26 of this report.

**Fiduciary funds.** Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of the funds are *not* available to support the City's own programs. Fiduciary funds are custodial in nature and therefore, the accounting used does not involve the measurement of the results of operations.

The basic fiduciary fund financial statements can be found on pages 27-28 of this report.

# CITY OF LINCOLN MANAGEMENT'S DISCUSSION AND ANALYSIS

**Notes to the Financial Statements.** The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 29-64 of this report.

**Other Information.** In addition to the basic financial statements and accompanying notes, this report also presents certain *required supplementary information* concerning the City's other postemployment benefits (OPEB). The City of Lincoln adopts an annual appropriated budget for its General fund, Public Facility Element (PFE) funds, and Water Connections special revenue fund. Budgetary comparison statements have been provided for these three major funds to demonstrate compliance with this budget. The budgetary comparison statements can be found on pages 66-69 of this report.

The combining statements referred to earlier in connection with nonmajor governmental funds, non-major enterprise funds, and fiduciary funds are presented immediately following the required supplementary information, which is found on pages 72-121.

## GOVERNMENT-WIDE FINANCIAL ANALYSIS

**Governmental Activities:** A comparative analysis of the government-wide data follows.

### Net Position As of June 30, 2014 and 2013

	Governmental Activities		Business-type Activities		Total		
	2014	2013	2014	2013	2014	2013	Variance
<b>Assets:</b>							
Current and other assets	\$ 73,567,215	\$ 57,637,263	\$ 38,751,498	\$ 33,011,847	\$ 112,318,713	\$ 90,649,110	\$ 21,669,603
Capital Assets	388,550,497	336,250,330	351,253,170	101,371,746	739,803,667	437,622,076	302,181,591
<b>Total Assets</b>	<b>\$ 462,117,712</b>	<b>\$ 393,887,593</b>	<b>\$ 390,004,668</b>	<b>\$ 134,383,593</b>	<b>\$ 852,122,380</b>	<b>\$ 528,271,186</b>	<b>\$ 323,851,194</b>
<b>Liabilities:</b>							
Current and other liabilities	\$ 6,132,084	\$ 7,109,175	\$ 3,111,262	\$ 4,030,615	\$ 9,243,346	\$ 11,139,790	\$ (1,896,444)
Long-term liabilities	25,797,209	23,256,756	4,896,268	4,684,886	30,693,477	27,941,642	2,751,835
<b>Total liabilities</b>	<b>\$ 31,929,293</b>	<b>\$ 30,365,931</b>	<b>\$ 8,007,530</b>	<b>\$ 8,715,501</b>	<b>\$ 39,936,823</b>	<b>\$ 39,081,432</b>	<b>\$ 855,391</b>
<b>Net Position:</b>							
Net Investment in Capital Assets	\$ 367,327,505	\$ 314,827,035	\$ 349,214,909	\$ 99,076,798	\$ 716,542,414	\$ 413,903,833	\$ 302,638,581
Restricted	78,880,674	71,770,107	14,406,184	-	93,286,858	71,770,107	21,516,751
Unrestricted	(16,019,760)	(23,075,480)	18,376,045	26,591,294	2,356,285	3,515,814	(1,159,529)
<b>Total Net Position</b>	<b>\$ 430,188,419</b>	<b>\$ 363,521,662</b>	<b>\$ 381,997,138</b>	<b>\$ 125,668,092</b>	<b>\$ 812,185,557</b>	<b>\$ 489,189,754</b>	<b>\$ 322,995,803</b>

By far, the largest portion of the City's net position (\$716,542,414 or 88%) reflects its investment in capital assets (e.g. infrastructure, land, buildings, equipment), less any related debt used to acquire those assets to provide services to citizens; consequently, these assets are not in spendable form. The remaining City's net position consists of restricted funds of \$93,286,858, which are resources subject to external restrictions governing how they may be used, and unrestricted net position with a balance of \$2,356,285. Governmental activities increased the City's net position by \$66,666,757 (see Note 2 on page 38) while business-type activities contributed \$256,329,046.

# CITY OF LINCOLN MANAGEMENT'S DISCUSSION AND ANALYSIS

## Changes in Net Position As of June 30, 2014 and 2013

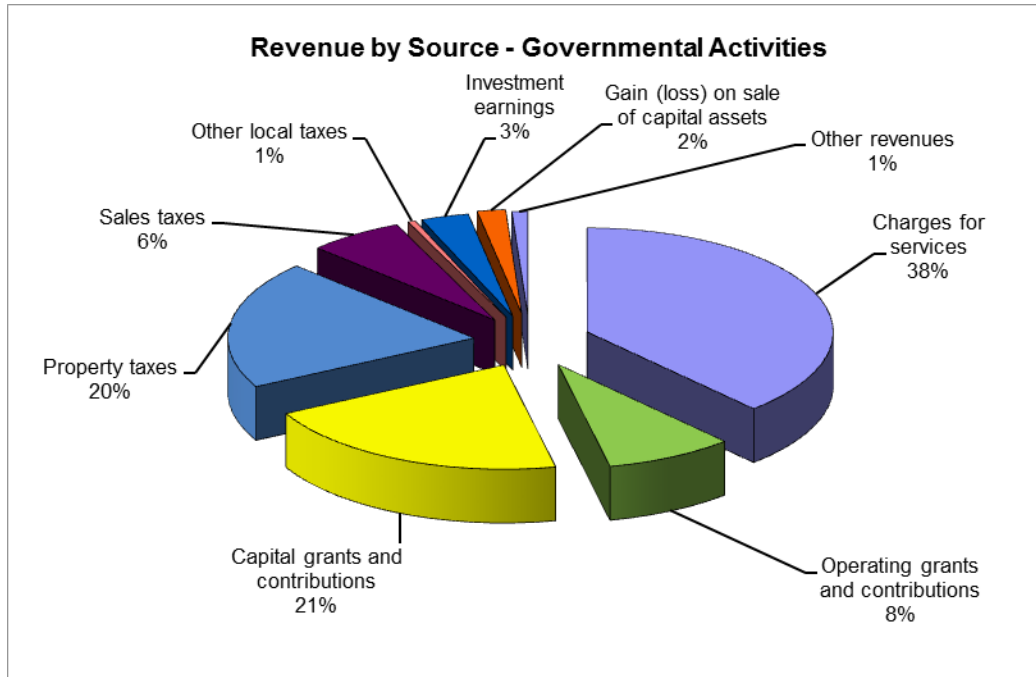
	Governmental Activities		Business-type Activities		Total		
	2014	2013	2014	2013	2014	2013	Variance
<b>Revenues:</b>							
Program revenues:							
Charges for services	\$ 14,715,085	\$ 14,261,756	\$ 25,420,089	\$ 24,093,690	\$ 40,135,174	\$ 38,355,446	\$ 1,779,728
Operating grants and contributions	3,248,047	3,614,352	1,549,590	6,154,480	4,797,637	9,768,832	(4,971,195)
Capital Grants and contributions	7,957,869	881,562	5,590,940	2,641,668	13,548,809	3,523,230	10,025,579
General Revenues:							
Property taxes	7,668,875	7,511,360	-	-	7,668,875	7,511,360	157,515
Sales taxes	2,419,729	2,252,003	850,659	-	3,270,388	2,252,003	1,018,385
Other taxes	191,278	975,649	-	47,684	191,278	1,023,333	(832,055)
Investment earnings	1,208,941	565,913	550,349	262,287	1,759,290	828,200	931,090
Gain (loss) on sale of capital assets	717,066	-	4,935,797	-	5,652,863	-	5,652,863
Other Revenues	401,427	1,717,469	168,876	1,079,475	570,303	2,796,944	(2,226,641)
<b>Total Revenues</b>	<b>38,528,317</b>	<b>31,780,064</b>	<b>39,066,300</b>	<b>34,279,284</b>	<b>77,594,617</b>	<b>66,059,348</b>	<b>11,535,269</b>
<b>Expenses:</b>							
General government	2,534,252	2,583,219	-	-	2,534,252	2,583,219	(48,967)
Public Safety	8,676,336	8,973,076	-	-	8,676,336	8,973,076	(296,740)
Public works and facilities	7,502,426	8,083,773	-	-	7,502,426	8,083,773	(581,347)
Culture & recreation	714,789	743,858	-	-	714,789	743,858	(29,069)
Education	559,449	420,772	-	-	559,449	420,772	138,677
Urban development & housing	512,756	666,038	-	-	512,756	666,038	(153,282)
Interest on long-term debt	1,073,464	1,074,815	-	-	1,073,464	1,074,815	(1,351)
Water	-	-	9,626,761	8,410,782	9,626,761	8,410,782	1,215,979
Wastewater	-	-	7,567,116	10,647,682	7,567,116	10,647,682	(3,080,566)
Solid waste	-	-	4,576,457	4,460,008	4,576,457	4,460,008	116,449
Transit	-	-	855,631	979,330	855,631	979,330	(123,699)
Airport	-	-	2,122,836	2,009,793	2,122,836	2,009,793	113,043
<b>Total Expenses</b>	<b>21,573,472</b>	<b>22,545,551</b>	<b>24,748,801</b>	<b>26,507,595</b>	<b>46,322,273</b>	<b>49,053,146</b>	<b>(2,730,873)</b>
Changes in net position before transfers	16,954,845	9,234,513	14,317,499	7,771,689	31,272,344	17,006,202	14,266,142
Transfers	1,159,153	525,888	(1,159,153)	(525,888)	-	-	-
<b>Change in net position</b>	<b>18,113,998</b>	<b>9,760,401</b>	<b>13,158,346</b>	<b>7,245,801</b>	<b>31,272,344</b>	<b>17,006,202</b>	<b>14,266,142</b>
Net Position-Beginning	363,521,662	364,812,013	125,668,092	119,967,701	489,189,754	484,779,714	4,410,040
Change in accounting principle	-	(553,338)	-	-	-	(553,338)	553,338
Prior period adjustments	48,552,759	(10,497,414)	243,170,700	(1,545,410)	291,723,459	(12,042,824)	303,766,283
<b>Net Position- Ending</b>	<b>\$430,188,419</b>	<b>\$363,521,662</b>	<b>\$381,997,138</b>	<b>\$125,668,092</b>	<b>\$812,185,557</b>	<b>\$489,189,754</b>	<b>\$322,995,803</b>

**CITY OF LINCOLN  
MANAGEMENT'S DISCUSSION AND ANALYSIS**

**Key elements of the 21% increase in revenues for governmental activities are as follows:**

- Capital grants and contributions increased by \$7,076,307 primarily due to developer contributions and grant funding
- Other taxes decreased by \$784,371 primarily due to TDA tax receipts applicable to Transit, which are reported under Business-type activities
- Investment earnings increased by \$643,028

The following chart shows governmental activities revenues by source:

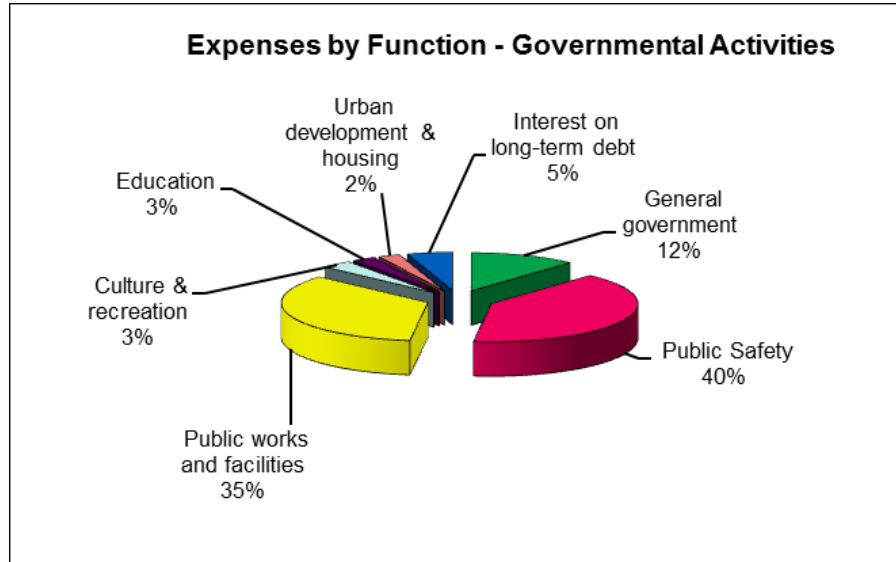


## CITY OF LINCOLN MANAGEMENT'S DISCUSSION AND ANALYSIS

**Key elements of the 4% decrease in expenses for governmental activities are as follows:**

- The City contributed \$1,460,000 to its' OPEB Trust in FY 2012-13 but did not choose to contribute in FY 2013-14.
- The overall savings was offset by \$322,717 more in payroll expenses and approximately \$50,000 more in operating expenses.

The following chart shows governmental activities expenses by function:



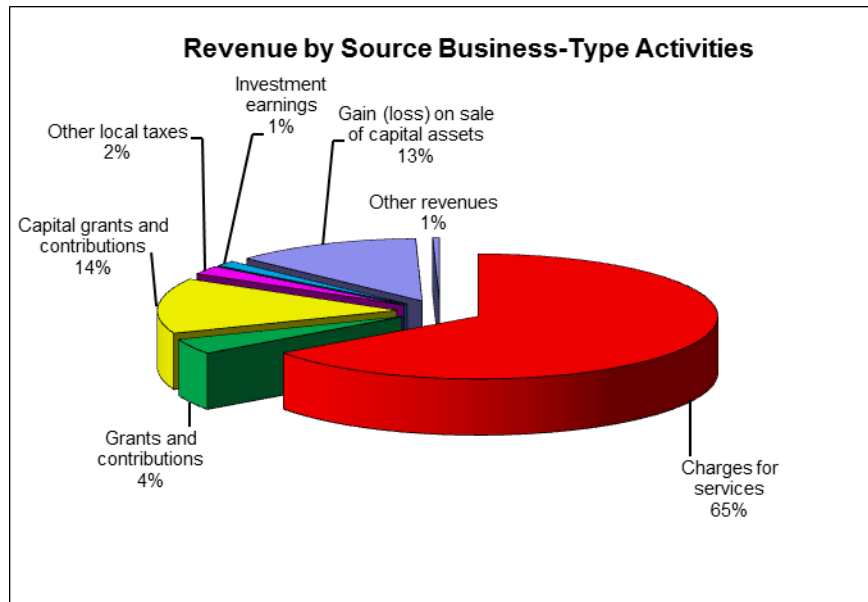
**Business-Type Activities:** Business-type activities increased the City's net position by \$256,329,046 or 204% in the fiscal year ending June 30, 2014.

**Key elements accounting for the changes in revenues and expenses for business type activities are as follows:**

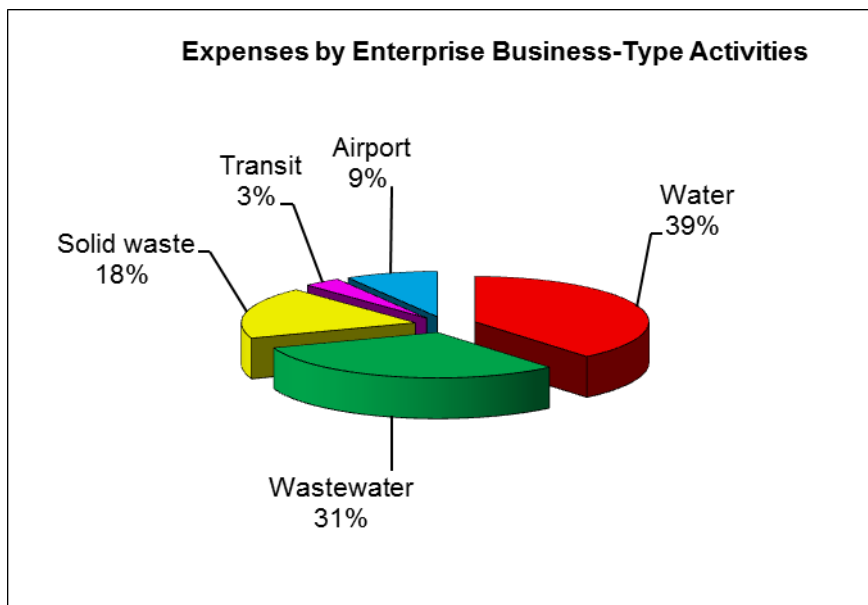
- Capital grants and contributions increased by \$2,949,272 primarily due to developer contributions
- Other taxes increased by \$802,975 primarily due to recording TDA tax revenue as a business-type activity
- Other revenue increased by \$4,025,198 primarily due to the sale of property
- Water expenses increased by \$1,215,979 primarily due to an increase in purchased water (\$831,638) along with depreciation and cost allocations (\$428,768)
- Wastewater expenses decreased by \$3,080,566 primarily due to less spending on the Regional Sewer Project (\$3,596,766) along with increased spending in other operating and payroll expenses (\$488,065)

**CITY OF LINCOLN  
MANAGEMENT'S DISCUSSION AND ANALYSIS**

The following chart shows business-type activities revenues by source:



The following chart shows business-type activities expenses by enterprise:



## CITY OF LINCOLN MANAGEMENT'S DISCUSSION AND ANALYSIS

### FINANCIAL ANALYSIS OF THE CITY'S FUNDS

As noted earlier, the City of Lincoln uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. Under the Government Accounting Standards Board Statement 54, fund balances are now classified as nonspendable, restricted, committed, assigned and unassigned. Nonspendable fund balances are amounts that are inherently nonspendable, i.e. cannot be spent because of their form or because they must be maintained intact. Restricted fund balances are amounts with externally enforceable limitations on use, such as limitations imposed by creditors or grantors, and limitations imposed by other governments. Committed fund balances are amounts that can only be used for the specific purposes determined by formal action of the City's highest level of decision-making authority. Assigned fund balances are amounts constrained by the City's intent to be used for specific purposes. Unassigned fund balances the residual net resources, is the amount in excess of nonspendable, restricted, committed and assigned amounts. Negative fund balances are included in the unassigned fund balance category.

**Governmental Funds.** The focus of the City's governmental funds is to provide information on near-term inflows, outflows, and balances of resources that are available for spending. Such information is useful in assessing the City's financial requirements.

At the end of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$64,283,182, an increase of \$13,307,497 over the prior year. The increased fund balance is the result of revenues exceeding expenditures by \$8,140,472 as well as contributions from other financing sources of \$5,528,126 due to repayment of PFE Community Services for Corp Yard building. In addition, there was a small prior period adjustment decrease of \$361,101 explained under Note 2 of the financial statements. When comparing total revenues and expenditures against the prior year, they remained basically flat.

Nonspendable fund balances total \$31,375,017, restricted fund balances total \$41,992,206, committed fund balances total \$3,703,541, assigned fund balances total \$5,650,033, and unassigned fund balances total a negative \$18,437,615. While the General Fund has a positive unassigned fund balance of \$3,819,021, the Public Facility Element (PFE) funds continue to carry a negative unassigned fund balance of \$20,800,237 down from a negative \$27,173,388. These accumulated negative fund balances must be closely monitored to avoid future negative financial impact on the City.

The following discussion touches on each of the three major governmental funds.

**General Fund.** The General fund is the chief operating fund of the City of Lincoln. Fiscal Year 2013-14 increased the City's General fund balance by \$1,280,178 to an ending fund balance of \$7,659,144. The unassigned fund balance of the General fund was \$3,819,021. The committed fund balance at year end was \$3,703,541, which contains reserves of \$2,000,000 for Catastrophic, \$1,644,564 for Economic, and \$58,976 for Youth Programs. The nonspendable fund balance at year-end of \$136,582 is invested in the City's insurance program with JPA (Northern California Cities Self Insurance Fund).

Revenues exceeded expenditures by \$1,549,785 while other financing sources resulted in a negative \$269,607, thus resulting in a year end gain of \$1,280,178 primarily due to the reduction in OPEB funding. As a measure of the General fund's liquidity, it may be useful to compare the unassigned fund balance to total fund expenditures. Including sources and uses, the unassigned fund balance represents 29.3% of total General fund expenditures, up from 28.1%.

The following Revenue by Source and Expenditure by Function tables provide a two-year comparison. Accompanying the tables are brief explanations of significant changes.



**CITY OF LINCOLN  
MANAGEMENT'S DISCUSSION AND ANALYSIS**

**Revenue by Source  
General Fund**

	FY 2014		FY 2013		Increase/(Decrease)	
	Amount	Percent of Total	Amount	Percent of Total	Amount	Percent
Taxes and assessments	\$ 10,665,149	74.4%	\$ 11,102,867	80.1%	\$ (437,718)	-3.9%
Licenses and permits	505,787	3.5%	342,071	2.5%	163,716	47.9%
Fines and penalties	47,909	0.3%	79,606	0.6%	(31,697)	-39.8%
Interest and Investment Income	150,099	1.1%	47,185	0.3%	102,914	218.1%
Intergovernmental revenue	42,143	0.3%	229,302	1.6%	(187,159)	-81.6%
Charges for services	2,589,345	18.1%	1,372,684	9.9%	1,216,661	88.6%
Other revenues	327,147	2.3%	688,573	5.0%	(361,426)	-52.5%
<b>Total</b>	<b>14,327,579</b>	<b>100.0%</b>	<b>13,862,288</b>	<b>100.0%</b>	<b>465,291</b>	<b>3.4%</b>

Total General fund revenues increased by \$465,291 or 3.4% from the prior fiscal year and are driven by a combination of factors.

- Taxes and assessments decreased by \$437,718 primarily due to one-time Prop 1A money received in the prior fiscal period.
- Licenses and permits revenue increased by \$163,716 due to an increase in development activity within the City.
- Interest and investment income increased by \$102,914.
- Intergovernmental revenue decreased by \$187,159 primarily due to the reclassification of library cost sharing as a charge for service in FY 2013-14.
- Charges for services increased by \$1,216,661 primarily due to increased CFD and PFE administrative fees, developer activity, and the reclassification of various revenue types to FY 2013-14 charges for services.
- Other revenues decreased by \$361,426 primarily due to a one time large claim reimbursement and cost allocation reimbursement in the prior fiscal year.

# CITY OF LINCOLN MANAGEMENT'S DISCUSSION AND ANALYSIS

## Expenditures by Function General Fund

	FY2014		FY2013		Increase/(Decrease)	
	Percent of		Percent of			
	Amount	Total	Amount	Total	Amount	Percent
General Government	\$ 2,267,077	18.7%	\$ 2,337,743	17.7%	\$ (70,666)	-3.0%
Public safety	8,015,231	66.0%	8,623,479	65.2%	(608,248)	-7.1%
Public works and facilities	326,015	2.7%	495,947	3.8%	(169,932)	-34.3%
Culture and recreation	634,643	5.2%	741,632	5.6%	(106,989)	-14.4%
Urban redevelopment and housing	510,937	4.2%	665,834	5.0%	(154,897)	-23.3%
Education	384,156	3.2%	353,046	2.7%	31,110	8.8%
<b>Total</b>	<b>\$ 12,138,059</b>	<b>100.0%</b>	<b>\$ 13,217,681</b>	<b>100.0%</b>	<b>\$ (1,079,622)</b>	<b>-8.2%</b>

The above General fund expenditures decreased by \$1,079,622 or 8.2% from the prior fiscal year primarily due to a reduction in OPEB funding. The \$1,460,000 funding amount was offset by slight increases in the following areas.

- Overall General fund wages and benefits increased by \$77,964 over the prior fiscal year, including cost allocation labor charges.
- Overall operating expenditures, excluding capital spending increased by \$194,688.

**Public Facility Element (PFE) Special Revenue Funds.** The PFE funds are collected with the issuance of building permits and are used by the City to fund infrastructure projects and public facilities. The City's PFE funds include Transportation, Drainage, Parks, and Community Services for Police, Fire, Administration and the Library. Development activity in Lincoln declined significantly during the recent economic downturn. During the past two years, however, the City has seen renewed development interest. The PFE funds had a total negative fund balance of \$9,091,236 at the end of the 2013-14 fiscal year. This is a significant improvement from the negative fund balance of \$16,670,423 as June 30, 2013. This improvement over the prior year is indicative of a slowly recovering economy. As new development projects are undertaken, new fees will be applied toward these negative fund balances.

**Water Connections Special Revenue Funds.** These funds are used to account for water connection fees collected from developers and property owners that are required by the California Government Code to be expended for capacity expansion. The fund balance of the Water Connections Fund at the end of Fiscal Year 2013-14 was \$31,817,484 or 14.4% more than the prior fiscal year. .

### GENERAL FUND BUDGETARY HIGHLIGHTS

In preparing the annual budget, the City develops revenue and expenditure projections using a realistic, but conservative methodology based upon the best information available at that time. During the course of the fiscal year, the City Council is presented with financial status reports and approves amendments to budgeted revenue and expenditure projections as needed so that the City's budget provides an accurate measurement of available fiscal resources and City Council priorities.

## CITY OF LINCOLN MANAGEMENT'S DISCUSSION AND ANALYSIS

The final General fund budget for Fiscal Year 2013-14 projected revenue of \$13,150,207 and expenditures of \$11,203,192, with an anticipated surplus of \$1,947,015. The results of the General fund for the year ended June 30, 2014, were less than anticipated. As of the end of the fiscal year, revenue totaled \$14,327,579 or \$1,177,372 more than the budgeted amount. Expenditures totaled \$12,138,059 or \$934,867 less than the approved budget, resulting in an operating surplus of \$2,189,520. The schedule provides a reconciliation of fund balance under the budgetary basis of accounting to actual GAAP basis revealing an increase in net fund balance of \$1,280,178 as of June 30, 2014.

### CAPITAL ASSETS AND DEBT ADMINISTRATION

**Capital Assets.** The City's investment in capital assets for its governmental and business-type activities as of June 30, 2014, amounts to \$739,803,667 (net of accumulated depreciation). This investment in capital assets includes land, building and facilities, machinery and equipment, park facilities, and roads. Total increase in the City's investments in capital assets for the 2013-14 fiscal year was \$302,181,591 or 69.1%.

#### City's Capital Assets (net of depreciation)

	Governmental Activities		Business-type Activities		Total	
	2014	2013	2014	2013	2014	2013
Land & Easements	\$ 12,224,230	\$ 11,981,626	\$ 1,591,640	\$ 1,699,900	\$ 13,815,870	\$ 13,681,526
Infrastructure	284,443,985	108,951,075	330,688,437	80,843,459	615,132,422	189,794,534
Construction in progress	10,100,088	127,283,274	1,846,512	9,752,801	11,946,600	137,036,075
Buildings and structures	61,934,841	67,630,953	14,042,977	5,660,543	75,977,818	73,291,496
Machinery and equipment	2,357,584	2,042,251	2,130,020	2,405,456	4,487,604	4,447,707
Land improvement	17,489,769	18,361,151	953,584	1,009,587	18,443,353	19,370,738
<b>Total</b>	<b>\$ 388,550,497</b>	<b>\$ 336,250,330</b>	<b>\$ 351,253,170</b>	<b>\$ 101,371,746</b>	<b>\$ 739,803,667</b>	<b>\$ 437,622,076</b>

Both governmental activities and business-type activities experienced a significant increase in capital assets, net of depreciation. Governmental activities increased by \$52,300,167 or 15.6% and business-type activities increased by \$249,881,424 or 246.5%. The increases are driven by an increase in infrastructure of \$425,337,888 due to prior period contributed capital from developers offset by a reduction in construction in progress of \$125,089,475. Current period contributed capital was \$9,209,744.

The City's infrastructure assets are recorded at historical cost in the government-wide financial statements as required by Governmental Accounting Standard (GASB) Statement No. 34. In prior periods, the City elected to use the modified approach to report its infrastructure but has now elected to use the straight line approach. As the City's capital assets have practically doubled, the City is in the process of implementing a GIS and pavement management system to ensure its infrastructure is maintained in the most efficient manner.

Additional information on the City's capital assets can be found in Note 4 on pages 44-46 of this report.

## CITY OF LINCOLN MANAGEMENT'S DISCUSSION AND ANALYSIS

**Long-Term Debt.** As of June 30, 2014, the City of Lincoln had total debt outstanding of \$30,693,477. This amount is comprised of \$20,970,903 in bond debt, \$4,068,627 in post employment benefit obligation, \$2,227,759 in capital leases, \$62,591 in loans payable, \$1,340,231 in landfill post closure liability, and \$2,023,366 in compensated absences.

### City's Outstanding Debt

	Governmental Activities		Business-type Activities		Total	
	2014	2013	2014	2013	2014	2013
Bonds	\$ 20,710,903	\$21,423,295	\$ 260,000	\$ 410,000	\$ 20,970,903	\$21,833,295
Net OPEB obligation	2,876,672	2,256,593	1,191,955	1,110,231	4,068,627	3,366,824
Capital leases	512,089	-	1,715,670	1,800,232	2,227,759	1,800,232
Loans Payable	-	-	62,591	84,716	62,591	84,716
Postclosure	-	-	1,340,231	1,389,874	1,340,231	1,389,874
Compensated absences	1,697,545	1,566,121	325,821	352,261	2,023,366	1,918,382
<b>Total</b>	<b>\$ 25,797,209</b>	<b>\$25,246,009</b>	<b>\$ 4,896,268</b>	<b>\$5,147,314</b>	<b>\$ 30,693,477</b>	<b>\$30,393,323</b>

The City's total debt decreased by \$300,154 or 1% during fiscal year 2013-14. The decrease is primarily attributable to the scheduled payment of debt obligations. Additional information on the City's long-term debt can be found in Note 7 on pages 49-51 of this report.

### ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES

The economic climate in the City of Lincoln has begun to stabilize after several years of weathering the nation-wide recession. Slight increases are anticipated in the two largest sources of revenue to the General fund – property tax and sales tax. The City is experiencing a renewed interest in development with a number of new projects moving through the design and permitting process. The cost savings measures that have been implemented over the past several years have placed the City of Lincoln in a position to operate efficiently with limited financial and staffing resources while waiting for the economic recovery to reach a stable and sustainable level. The adopted budget for Fiscal Year 2014-15 is a balanced budget with sufficient revenues anticipated to be available to fund the current level of reduced operating costs. The City Council recently took action to provide for the future stability of the City's water, wastewater and sanitation systems by approving an orderly series to rate adjustments over the next several years to ensure that funding is available to continue to provide quality utility service to the citizens and businesses of this city.

### REQUESTS FOR INFORMATION

This financial statement is designed to provide our citizens, taxpayers, customers, investors, and creditors with a general overview of the City's finances and to demonstrate the City's accountability for the money it receives. If you have any questions about this report or need additional financial information, please contact the Administrative Services Department, City of Lincoln, 600 Sixth Street, Lincoln, CA 95648.

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## **Basic Financial Statements**

- **Government-Wide Financial Statements**

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**CITY OF LINCOLN**  
**Statement of Net Position**  
**June 30, 2014**

	<b>Governmental Activities</b>	<b>Business-Type Activities</b>	<b>Totals</b>
<b>ASSETS</b>			
Cash and investments	\$ 58,205,792	\$ 35,959,225	\$ 94,165,017
Receivables:			
Accounts, net	461,193	3,395,903	3,857,096
Interest	146,430	868	147,298
Taxes	568,300	-	568,300
Intergovernmental	1,490,572	729,055	2,219,627
Due from other agencies	4,478,687	425,126	4,903,813
Internal balances	2,118,399	(2,118,399)	-
Investment in JPA	206,227	38,666	244,893
Inventory	-	67,764	67,764
Restricted cash and investments	2,534,824	253,290	2,788,114
Loans receivable	3,356,791	-	3,356,791
Capital assets:			
Non-depreciable	22,324,318	3,438,152	25,762,470
Depreciable, net	366,226,179	347,815,018	714,041,197
Total capital assets	<u>388,550,497</u>	<u>351,253,170</u>	<u>739,803,667</u>
<b>Total Assets</b>	<u>462,117,712</u>	<u>390,004,668</u>	<u>852,122,380</u>
<b>LIABILITIES</b>			
Accounts payable	2,443,216	2,444,313	4,887,529
Accrued salaries and benefits	452,566	114,787	567,353
Accrued interest payable	407,890	23,795	431,685
Other accrued liabilities	4,728	-	4,728
Due to other governmental agencies	-	217,479	217,479
Prepaid services	-	37,311	37,311
Insurance payable	332	-	332
Retention payable	71,036	-	71,036
Deposits payable	953,559	52,195	1,005,754
Unearned revenue	1,798,757	221,382	2,020,139
Long-term liabilities:			
Due within one year	2,276,095	510,484	2,786,579
Due in more than one year	<u>23,521,114</u>	<u>4,385,784</u>	<u>27,906,898</u>
<b>Total Liabilities</b>	<u>31,929,293</u>	<u>8,007,530</u>	<u>39,936,823</u>
<b>NET POSITION</b>			
Net investment in capital assets	367,327,505	349,214,909	716,542,414
Restricted for:			
General government	7,423,055	-	7,423,055
Public safety	880,511	-	880,511
Public works and facilities	59,196,203	-	59,196,203
Culture and recreation	815,801	-	815,801
Urban redevelopment and housing	1,563,353	-	1,563,353
Education	4,872,898	-	4,872,898
Endowment:			
Nonexpendable	356,659	-	356,659
Expendable	141,546	-	141,546
Debt service	3,479,860	-	3,479,860
Capital projects	150,788	-	150,788
Public facility element	-	14,406,184	14,406,184
Unrestricted	<u>(16,019,760)</u>	<u>18,376,045</u>	<u>2,356,285</u>
<b>Total Net Position</b>	<u>\$ 430,188,419</u>	<u>\$ 381,997,138</u>	<u>\$ 812,185,557</u>

The notes to the basic financial statements are an integral part of this statement.

**CITY OF LINCOLN**  
**Statement of Activities**  
**For the Year Ended June 30, 2014**

<b>Functions/Programs:</b>	<b>Expenses</b>	<b>Program Revenues</b>		
		<b>Charges for Services</b>	<b>Operating Grants and Contributions</b>	<b>Capital Grants and Contributions</b>
Governmental activities:				
General government	\$ 2,534,252	\$ 1,970,636	\$ 6,505	\$ -
Public safety	8,676,336	634,161	134,048	-
Public works and facilities	7,502,426	10,979,608	2,987,494	7,957,869
Culture and recreation	714,789	971,265	-	-
Urban redevelopment and housing	512,756	-	120,000	-
Education	559,449	159,415	-	-
Interest on long-term debt	1,073,464	-	-	-
<b>Total Governmental Activities</b>	<b>21,573,472</b>	<b>14,715,085</b>	<b>3,248,047</b>	<b>7,957,869</b>
Business-Type activities:				
Water	9,626,761	11,018,047	2,485	2,237,277
Wastewater operations	7,567,116	7,297,551	1,085,296	2,597,664
Solid waste	4,576,457	5,272,082	12,585	223,680
Airport	2,122,836	1,785,214	530	532,319
Transit	855,631	47,195	448,694	-
<b>Total Business-Type Activities</b>	<b>24,748,801</b>	<b>25,420,089</b>	<b>1,549,590</b>	<b>5,590,940</b>
<b>Total</b>	<b>\$ 46,322,273</b>	<b>\$ 40,135,174</b>	<b>\$ 4,797,637</b>	<b>\$ 13,548,809</b>

**General revenues:**

Taxes:

    Property taxes

    Sales and use taxes

    Other taxes

Interest and investment earnings

Miscellaneous

Gain of sale of capital assets

**Transfers**

**Total General Revenues and Transfers**

**Change in Net Position**

**Net Position - Beginning**

Prior period adjustment

**Net Position - Beginning, Restated**

**Net Position - Ending**

The notes to the basic financial statements are an integral part of this statement.



**Net (Expense) Revenue and  
Changes in Net Position**

<b>Governmental Activities</b>	<b>Business- Type Activities</b>	<b>Totals</b>
\$ (557,111)	\$ -	\$ (557,111)
(7,908,127)	-	(7,908,127)
14,422,545	-	14,422,545
256,476	-	256,476
(392,756)	-	(392,756)
(400,034)	-	(400,034)
(1,073,464)	-	(1,073,464)
4,347,529	-	4,347,529
-	3,631,048	3,631,048
-	3,413,395	3,413,395
-	931,890	931,890
-	195,227	195,227
-	(359,742)	(359,742)
-	7,811,818	7,811,818
4,347,529	7,811,818	12,159,347
7,668,875	-	7,668,875
2,419,729	850,659	3,270,388
191,278	-	191,278
1,208,941	550,349	1,759,290
401,427	168,876	570,303
717,066	4,935,797	5,652,863
1,159,153	(1,159,153)	-
13,766,469	5,346,528	19,112,997
18,113,998	13,158,346	31,272,344
363,521,662	125,668,092	489,189,754
48,552,759	243,170,700	291,723,459
412,074,421	368,838,792	780,913,213
<u>\$ 430,188,419</u>	<u>\$ 381,997,138</u>	<u>\$ 812,185,557</u>

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## **Basic Financial Statements**

- **Fund Financial Statements**

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**CITY OF LINCOLN**  
**Balance Sheet**  
**Governmental Funds**  
**June 30, 2014**

	<b>General Fund</b>	<b>Public Facility Element (PFE)</b>	<b>Water Connections</b>	<b>Other Governmental Funds</b>	<b>Totals</b>
<b>ASSETS</b>					
Cash and investments	\$ 7,344,988	\$ 8,168,927	\$ 9,697,443	\$ 30,679,306	\$ 55,890,664
Receivables:					
Accounts, net	221,659	234,489	-	4,660	460,808
Interest	290	178	595	145,320	146,383
Taxes	562,556	-	-	5,744	568,300
Intergovernmental	56,349	-	-	1,421,091	1,477,440
Due from other agencies	-	271,727	4,206,960	-	4,478,687
Due from other funds	-	526,383	17,241,485	314,074	18,081,942
Investment in JPA	136,582	-	-	51,298	187,880
Advances to other funds	-	3,352,000	673,242	2,000,000	6,025,242
Restricted cash and investments	-	-	-	2,534,824	2,534,824
Loans receivable	-	-	-	3,356,791	3,356,791
<b>Total Assets</b>	<b>\$ 8,322,424</b>	<b>\$ 12,553,704</b>	<b>\$ 31,819,725</b>	<b>\$ 40,513,108</b>	<b>\$ 93,208,961</b>
<b>LIABILITIES</b>					
Accounts payable	\$ 326,232	\$ 1,150	\$ 2,241	\$ 1,992,845	\$ 2,322,468
Accrued salaries and benefits	316,609	3,148	-	47,097	366,854
Other accrued liabilities	159	-	-	4,569	4,728
Insurance payable	-	-	-	332	332
Retention payable	-	-	-	71,036	71,036
Deposits payable	17,120	-	-	936,439	953,559
Due to other funds	-	11,448,612	-	751,973	12,200,585
Advances from other funds	-	9,788,200	-	-	9,788,200
Unearned revenue	-	169,830	-	1,628,927	1,798,757
<b>Total Liabilities</b>	<b>660,120</b>	<b>21,410,940</b>	<b>2,241</b>	<b>5,433,218</b>	<b>27,506,519</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Unavailable revenue	3,160	234,000	-	1,182,100	1,419,260
<b>Total Deferred Inflows of Resources</b>	<b>3,160</b>	<b>234,000</b>	<b>-</b>	<b>1,182,100</b>	<b>1,419,260</b>
<b>FUND BALANCES</b>					
Nonspendable	136,582	3,352,000	22,121,687	5,764,748	31,375,017
Restricted	-	8,357,001	9,695,797	23,939,408	41,992,206
Committed	3,703,541	-	-	-	3,703,541
Assigned	-	-	-	5,650,033	5,650,033
Unassigned	3,819,021	(20,800,237)	-	(1,456,399)	(18,437,615)
<b>Total Fund Balances (Deficits)</b>	<b>7,659,144</b>	<b>(9,091,236)</b>	<b>31,817,484</b>	<b>33,897,790</b>	<b>64,283,182</b>
<b>Total Liabilities, Deferred Inflows of Resources and Fund Balances</b>	<b>\$ 8,322,424</b>	<b>\$ 12,553,704</b>	<b>\$ 31,819,725</b>	<b>\$ 40,513,108</b>	<b>\$ 93,208,961</b>

The notes to the basic financial statements are an integral part of this statement.

**CITY OF LINCOLN**  
**Reconciliation of the Governmental Funds Balance**  
**Sheet to the Government-Wide Statement of**  
**Net Position - Governmental Activities**  
**June 30, 2014**

<b>Total Fund Balance - Total Governmental Funds</b>	\$ 64,283,182
Amounts reported for governmental activities in the statement of net position are different because:	
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	388,406,609
Other long-term assets are not available to pay for current period expenditures and therefore, are reported as unavailable revenues in the governmental funds.	1,419,260
Interest payable on long-term debt does not require the use of current financial resources and therefore, is not accrued as a liability in the governmental funds balance sheets.	(407,890)
Certain liabilities are not due and payable in the current period and therefore, are not reported in the governmental funds.	
Bonds payable	(20,710,903)
Capital leases	(512,089)
Compensated absences	(1,232,752)
Net OPEB obligation	(2,876,672)
Internal service funds are used by management to charge the cost of certain activities, such as insurance and equipment maintenance and operations, to individual funds. The assets and liabilities of the internal service funds must be added to the statement of net position.	1,819,674
<b>Net Position of Governmental Activities</b>	<u><u>\$ 430,188,419</u></u>

The notes to the basic financial statements are an integral part of this statement.

**CITY OF LINCOLN**  
**Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**Governmental Funds**  
**For the Year Ended June 30, 2014**

	<b>General Fund</b>	<b>Public Facility Element (PFE)</b>	<b>Water Connections</b>	<b>Other Governmental Funds</b>	<b>Totals</b>
<b>REVENUES</b>					
Taxes	\$ 10,665,149	\$ -	\$ -	\$ -	\$ 10,665,149
Special assessments	-	-	-	2,827,246	2,827,246
Licenses and permits	505,787	-	-	1,060,031	1,565,818
Fines and forfeitures	47,909	-	-	600	48,509
Use of money and property	150,099	118,015	360,913	568,030	1,197,057
Intergovernmental	42,143	-	-	3,484,734	3,526,877
Charges for services	2,589,345	3,069,364	3,876,344	1,252,281	10,787,334
Other revenues	327,147	-	-	74,280	401,427
<b>Total Revenues</b>	<b>14,327,579</b>	<b>3,187,379</b>	<b>4,237,257</b>	<b>9,267,202</b>	<b>31,019,417</b>
<b>EXPENDITURES</b>					
Current:					
General government	2,267,077	-	-	54,124	2,321,201
Public safety	8,015,231	-	-	101,326	8,116,557
Public works and facilities	326,015	1,643	-	4,492,128	4,819,786
Culture and recreation	634,643	11,546	-	-	646,189
Urban redevelopment and housing	510,937	-	-	1,818	512,755
Education	384,156	174,584	-	-	558,740
Debt service:					
Principal	56,784	-	-	715,000	771,784
Interest and other charges	-	48,205	-	1,034,682	1,082,887
Capital outlay	582,951	-	38,249	3,427,846	4,049,046
<b>Total Expenditures</b>	<b>12,777,794</b>	<b>235,978</b>	<b>38,249</b>	<b>9,826,924</b>	<b>22,878,945</b>
<b>Excess of Revenues Over (Under) Expenditures</b>	<b>1,549,785</b>	<b>2,951,401</b>	<b>4,199,008</b>	<b>(559,722)</b>	<b>8,140,472</b>
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers in	362,429	5,311,721	-	2,159,575	7,833,725
Transfers out	(1,927,851)	(449,935)	(73,963)	(1,149,665)	(3,601,414)
Proceeds from sale of capital assets	726,942	-	-	-	726,942
Debt proceeds	568,873	-	-	-	568,873
<b>Total Other Financing Sources (Uses)</b>	<b>(269,607)</b>	<b>4,861,786</b>	<b>(73,963)</b>	<b>1,009,910</b>	<b>5,528,126</b>
<b>Net Change in Fund Balances</b>	<b>1,280,178</b>	<b>7,813,187</b>	<b>4,125,045</b>	<b>450,188</b>	<b>13,668,598</b>
<b>Fund Balances (Deficits) - Beginning</b>	<b>6,378,966</b>	<b>(16,670,423)</b>	<b>27,819,540</b>	<b>33,447,602</b>	<b>50,975,685</b>
Prior period adjustment	-	(234,000)	(127,101)	-	(361,101)
<b>Fund Balances (Deficits) - Beginning, Restated</b>	<b>6,378,966</b>	<b>(16,904,423)</b>	<b>27,692,439</b>	<b>33,447,602</b>	<b>50,614,584</b>
<b>Fund Balances (Deficits) - Ending</b>	<b>\$ 7,659,144</b>	<b>\$ (9,091,236)</b>	<b>\$ 31,817,484</b>	<b>\$ 33,897,790</b>	<b>\$ 64,283,182</b>

The notes to the basic financial statements are an integral part of this statement.

**CITY OF LINCOLN**  
**Reconciliation of the Statement of Revenues, Expenditures, and**  
**Changes in Fund Balances of Governmental Funds to the**  
**Government-Wide Statement of Activities - Governmental Activities**  
**For the Year Ended June 30, 2014**

**Net Change in Fund Balances - Total Governmental Funds** \$ 13,668,598

Amounts reported for governmental activities in the statement of activities are different because:

Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.

Expenditures for capital outlay	4,049,046
Less: current year depreciation	(2,866,042)
Various adjustments affecting capital assets (including capital contributions)	2,116,432

Governmental funds only report the disposal of assets to the extent proceeds are received from the sale. In the statement of activities, a gain or loss is reported for each disposal. This is the net cost of the capital assets disposal. Proceeds from the sale of capital assets was \$ 726,942.

(9,876)

Debt proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net position. Repayment of principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.

Principal retirements	771,784
Proceeds from issuance of debt	(568,873)

Some revenues reported in the statement of activities will not be collected for several months after the City's year end and do not provide current financial resources and therefore are not reported as revenues in the governmental funds.

Change in unavailable revenue	274,508
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Some expenses reported in the statement of activities, do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds.

Change in compensated absences payable	(20,564)
Change in net OPEB obligation	(620,077)
Change in accrued interest payable	12,031
Amortization of bond discount	(3,449)
Amortization of bond premium	841

Internal service funds are used by management to charge the cost of certain activities, such as insurance and equipment maintenance and operations, to individual funds. The net revenue (expense) of certain internal service funds is reported with governmental activities.

1,309,639

**Change in Net Position of Governmental Activities** \$ 18,113,998

The notes to the basic financial statements are an integral part of this statement.



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**CITY OF LINCOLN**  
**Statement of Net Position**  
**Proprietary Funds**  
**June 30, 2014**

	<b>Business-Type Activities - Enterprise Funds</b>			
	<b>Water</b>	<b>Wastewater Operations</b>	<b>Solid Waste</b>	<b>Airport</b>
<b>ASSETS</b>				
Current Assets:				
Cash and investments	\$ 16,490,187	\$ 11,917,233	\$ 6,919,163	\$ 45,980
Receivables:				
Accounts, net	1,592,127	983,325	649,825	170,626
Interest	355	347	154	-
Intergovernmental	1,268	40,317	304	532,479
Due from other agencies	153,947	239,186	31,993	-
Due from other funds	-	58,427	243,905	-
Investment in JPA	11,000	7,734	8,296	8,162
Inventory	-	-	-	67,764
Advances to other funds	-	-	4,436,200	-
<b>Total Current Assets</b>	<b>18,248,884</b>	<b>13,246,569</b>	<b>12,289,840</b>	<b>825,011</b>
Noncurrent Assets:				
Restricted cash and investments	-	253,290	-	-
Capital assets:				
Non-depreciable	41,911	1,804,601	42,260	1,549,380
Depreciable, net	159,876,047	178,932,786	3,302,766	5,045,734
<b>Total Noncurrent Assets</b>	<b>159,917,958</b>	<b>180,990,677</b>	<b>3,345,026</b>	<b>6,595,114</b>
<b>Total Assets</b>	<b>178,166,842</b>	<b>194,237,246</b>	<b>15,634,866</b>	<b>7,420,125</b>
<b>LIABILITIES</b>				
Current Liabilities:				
Accounts payable	1,485,811	664,582	210,137	79,032
Accrued salaries and benefits	35,055	25,247	33,033	8,397
Accrued interest payable	897	4,595	-	18,303
Prepaid services	-	37,311	-	-
Deposits payable	24,000	-	-	28,195
Due to other governmental agencies	-	217,479	-	-
Due to other funds	-	506,157	-	5,677,532
Unearned revenue	53,670	46,758	1,996	-
Compensated absences payable	100,202	51,183	67,170	26,861
Capital leases payable	-	-	-	88,638
Bonds payable	15,000	120,000	-	-
Loans payable	23,730	-	-	-
<b>Total Current Liabilities</b>	<b>\$ 1,738,365</b>	<b>\$ 1,673,312</b>	<b>\$ 312,336</b>	<b>\$ 5,926,958</b>

The notes to the basic financial statements are an integral part of this statement.

<b>Other Enterprise Funds</b>	<b>Totals</b>	<b>Governmental Activities</b>
		<b>Internal Service Funds</b>
\$ 586,662	\$ 35,959,225	\$ 2,315,128
-	3,395,903	385
12	868	47
154,687	729,055	13,132
-	425,126	-
-	302,332	-
3,474	38,666	18,347
-	67,764	-
-	4,436,200	-
744,835	45,355,139	2,347,039
-	253,290	-
-	3,438,152	103,450
657,685	347,815,018	40,438
657,685	351,506,460	143,888
1,402,520	396,861,599	2,490,927
4,751	2,444,313	120,748
13,055	114,787	85,712
-	23,795	-
-	37,311	-
-	52,195	-
-	217,479	-
-	6,183,689	-
118,958	221,382	-
17,700	263,116	404,270
-	88,638	-
-	135,000	-
-	23,730	-
\$ 154,464	\$ 9,805,435	\$ 610,730

**CITY OF LINCOLN**  
**Statement of Net Position**  
**Proprietary Funds**  
**June 30, 2014**

	<b>Business-Type Activities - Enterprise Funds</b>			
	<b>Water</b>	<b>Wastewater Operations</b>	<b>Solid Waste</b>	<b>Airport</b>
<b>LIABILITIES (CONTINUED)</b>				
Noncurrent Liabilities:				
Advances from other funds	\$ -	\$ 673,242	\$ -	\$ -
Compensated absences payable	24,007	11,872	16,119	6,621
Capital leases payable	-	-	-	1,627,032
Bonds payable	15,000	110,000	-	-
Loans payable	38,861	-	-	-
Postclosure	-	-	1,340,231	-
Net OPEB obligation	331,498	259,693	437,708	74,797
<b>Total Noncurrent Liabilities</b>	<b>409,366</b>	<b>1,054,807</b>	<b>1,794,058</b>	<b>1,708,450</b>
<b>Total Liabilities</b>	<b>2,147,731</b>	<b>2,728,119</b>	<b>2,106,394</b>	<b>7,635,408</b>
<b>NET POSITION</b>				
Net investment in capital assets	159,825,367	180,507,387	3,345,026	4,879,444
Restricted for public facility element	8,178,118	539,610	5,688,456	-
Unrestricted	8,015,626	10,462,130	4,494,990	(5,094,727)
<b>Total Net Position</b>	<b>\$ 176,019,111</b>	<b>\$ 191,509,127</b>	<b>\$ 13,528,472</b>	<b>\$ (215,283)</b>

The notes to the basic financial statements are an integral part of this statement.

<b>Other Enterprise Funds</b>	<b>Totals</b>	<b>Governmental Activities</b>
		<b>Internal Service Funds</b>
\$ -	\$ 673,242	\$ -
4,085	62,704	60,523
-	1,627,032	-
-	125,000	-
-	38,861	-
-	1,340,231	-
88,260	1,191,956	-
92,345	5,059,026	60,523
246,809	14,864,461	671,253
657,685	349,214,909	143,888
-	14,406,184	-
498,026	18,376,045	1,675,786
<u>\$ 1,155,711</u>	<u>\$ 381,997,138</u>	<u>\$ 1,819,674</u>

**CITY OF LINCOLN**  
**Statement of Revenues, Expenses, and Changes in Net Position**  
**Proprietary Funds**  
**For the Year Ended June 30, 2014**

	<b>Business-Type Activities - Enterprise Funds</b>			
	<b>Water</b>	<b>Wastewater Operations</b>	<b>Solid Waste</b>	<b>Airport</b>
<b>OPERATING REVENUES</b>				
Charges for services	\$ 10,992,047	\$ 7,297,551	\$ 5,228,034	\$ 1,785,214
Connection fees	26,000	-	44,048	-
Other revenues	3,868	59	11,719	24,310
<b>Total Operating Revenues</b>	<b>11,021,915</b>	<b>7,297,610</b>	<b>5,283,801</b>	<b>1,809,524</b>
<b>OPERATING EXPENSES</b>				
Salaries and benefits	961,814	744,201	1,255,827	259,734
Services and supplies	7,808,614	5,980,505	2,109,633	1,249,545
Support services	749,617	523,051	905,229	159,713
Depreciation	99,238	294,047	305,768	371,195
<b>Total Operating Expenses</b>	<b>9,619,283</b>	<b>7,541,804</b>	<b>4,576,457</b>	<b>2,040,187</b>
<b>Operating Income (Loss)</b>	<b>1,402,632</b>	<b>(244,194)</b>	<b>707,344</b>	<b>(230,663)</b>
<b>NONOPERATING REVENUES (EXPENSES)</b>				
Taxes	-	-	-	39,672
Intergovernmental	2,485	1,085,296	12,585	530
Interest income	234,429	172,644	139,117	-
Gain (loss) on sale of capital assets	-	4,935,797	-	-
Other non-operating revenues	-	128,296	-	-
Distribution of capital assets	-	-	-	(636,378)
Interest expense	(7,478)	(19,408)	-	(82,649)
Other non-operating expenses	-	(5,904)	-	-
<b>Total Nonoperating Revenues (Expenses)</b>	<b>229,436</b>	<b>6,296,721</b>	<b>151,702</b>	<b>(678,825)</b>
<b>Income (Loss) before Contributions and Transfers</b>	<b>1,632,068</b>	<b>6,052,527</b>	<b>859,046</b>	<b>(909,488)</b>
Capital grants and contributions	2,881,468	2,983,008	1,865,215	532,319
Capital connection fees	1,090,340	1,040,298	223,680	-
Transfers in	5,810,207	5,715,237	480,000	-
Transfers out	(6,906,755)	(7,234,105)	(2,504,239)	(832,685)
<b>Change in Net Position</b>	<b>4,507,328</b>	<b>8,556,965</b>	<b>923,702</b>	<b>(1,209,854)</b>
<b>Total Net Position - Beginning</b>	<b>44,576,229</b>	<b>65,558,410</b>	<b>12,604,770</b>	<b>1,899,064</b>
Prior period adjustment	126,935,554	117,393,752	-	(904,493)
<b>Total Net Position - Beginning, Restated</b>	<b>171,511,783</b>	<b>182,952,162</b>	<b>12,604,770</b>	<b>994,571</b>
<b>Total Net Position - Ending</b>	<b>\$ 176,019,111</b>	<b>\$ 191,509,127</b>	<b>\$ 13,528,472</b>	<b>\$ (215,283)</b>

The notes to the basic financial statements are an integral part of this statement.

<b>Other Enterprise Funds</b>	<b>Totals</b>	<b>Governmental Activities</b>
		<b>Internal Service Funds</b>
\$ 47,195	\$ 25,350,041	\$ 4,638,079
-	70,048	-
-	39,956	5,688
47,195	25,460,045	4,643,767
399,689	3,621,265	2,655,310
172,875	17,321,172	2,001,129
223,791	2,561,401	-
59,276	1,129,524	6,703
855,631	24,633,362	4,663,142
(808,436)	826,683	(19,375)
810,987	850,659	-
448,694	1,549,590	1,278
4,159	550,349	11,884
-	4,935,797	-
624	128,920	-
-	(636,378)	-
-	(109,535)	-
-	(5,904)	-
1,264,464	7,263,498	13,162
456,028	8,090,181	(6,213)
-	8,262,010	-
-	2,354,318	-
-	12,005,444	1,315,852
(75,823)	(17,553,607)	-
380,205	13,158,346	1,309,639
1,029,619	125,668,092	510,035
(254,113)	243,170,700	-
775,506	368,838,792	510,035
\$ 1,155,711	\$ 381,997,138	\$ 1,819,674

**CITY OF LINCOLN**  
**Statement of Cash Flows**  
**Proprietary Funds**  
**For the Year Ended June 30, 2014**

	<b>Business-Type Activities - Enterprise Funds</b>			
	<b>Water</b>	<b>Wastewater Operations</b>	<b>Solid Waste</b>	<b>Airport</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Receipts from customers	\$ 10,996,400	\$ 8,871,542	\$ 5,297,232	\$ 1,784,126
Payments to suppliers	(7,898,411)	(7,867,276)	(3,070,906)	(1,443,392)
Payments to employees	(997,304)	(669,014)	(1,170,282)	(259,677)
<b>Net Cash Provided (Used) by Operating Activities</b>	<b>2,100,685</b>	<b>335,252</b>	<b>1,056,044</b>	<b>81,057</b>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>				
Taxes received	-	-	-	40,109
Intergovernmental revenues received	2,261	1,262,554	24,832	(455,024)
Other revenues received	-	128,296	-	-
Transfers from other funds	5,010,307	5,715,237	480,000	-
Transfers to other funds	(6,906,755)	(7,234,105)	(2,504,239)	(32,785)
Interfund loan repayments received	6,565	5,016,934	4,663,823	1,283
Interfund loans made	(153,947)	(297,613)	(4,712,098)	-
Interfund loans received	-	1,179,399	-	5,677,532
Interfund loans repaid	-	(5,516,214)	-	(5,097,966)
<b>Net Cash Provided (Used) by Noncapital Financing Activities</b>	<b>(2,041,569)</b>	<b>254,488</b>	<b>(2,047,682)</b>	<b>133,149</b>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>				
Connection fees received	1,090,340	1,040,298	223,680	-
Acquisition of capital assets	(59,039)	(15,629)	-	-
Proceeds from sale of capital assets	-	5,044,057	-	-
Principal paid on capital debt	(42,125)	(130,000)	-	(84,562)
Interest paid on capital debt	(7,959)	(22,006)	-	(83,764)
<b>Net Cash Provided (Used) for Capital and Related Financing Activities</b>	<b>981,217</b>	<b>5,916,720</b>	<b>223,680</b>	<b>(168,326)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Interest and dividends	234,898	174,408	139,388	-
<b>Net Cash Provided (Used) by Investing Activities</b>	<b>234,898</b>	<b>174,408</b>	<b>139,388</b>	<b>-</b>
<b>Net Increase (Decrease) in Cash and Cash Equivalents</b>	<b>1,275,231</b>	<b>6,680,868</b>	<b>(628,570)</b>	<b>45,880</b>
<b>Balances - Beginning</b>	<b>15,214,956</b>	<b>5,489,655</b>	<b>7,547,733</b>	<b>100</b>
<b>Balances - Ending</b>	<b>\$ 16,490,187</b>	<b>\$ 12,170,523</b>	<b>\$ 6,919,163</b>	<b>\$ 45,980</b>

The notes to the basic financial statements are an integral part of this statement.



<b>Other Enterprise Funds</b>	<b>Totals</b>	<b>Governmental Activities</b>
		<b>Internal Service Funds</b>
\$ (87,960)	\$ 26,861,340	\$ 4,643,962
(401,387)	(20,681,372)	(2,104,091)
(469,125)	(3,565,402)	(2,542,329)
(958,472)	2,614,566	(2,458)
810,987	851,096	-
294,007	1,128,630	22,229
624	128,920	-
-	11,205,544	746,337
(75,823)	(16,753,707)	-
5,558	9,694,163	7,677
-	(5,163,658)	-
-	6,856,931	-
-	(10,614,180)	-
1,035,353	(2,666,261)	776,243
-	2,354,318	-
-	(74,668)	(103,450)
-	5,044,057	569,515
-	(256,687)	-
-	(113,729)	-
-	6,953,291	466,065
4,181	552,875	11,854
4,181	552,875	11,854
81,062	7,454,471	1,251,704
505,600	28,758,044	1,063,424
\$ 586,662	\$ 36,212,515	\$ 2,315,128

**CITY OF LINCOLN**  
**Statement of Cash Flows**  
**Proprietary Funds**  
**For the Year Ended June 30, 2014**

	<b>Business-Type Activities - Enterprise Funds</b>			
	<b>Water</b>	<b>Wastewater Operations</b>	<b>Solid Waste</b>	<b>Airport</b>
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>				
Operating income (loss)	\$ 1,402,632	\$ (244,194)	\$ 707,344	\$ (230,663)
Adjustments to reconcile operating income to net cash provided by operating activities:				
Depreciation	99,238	294,047	305,768	371,195
Decrease (Increase) in:				
Accounts receivable	(22,410)	1,536,745	25,744	(26,788)
Investment in JPA	(6,199)	(5,548)	(7,341)	(4,785)
Inventory	-	-	-	(25,528)
Increase (Decrease) in:				
Accounts payable	666,019	(1,358,172)	940	(3,821)
Accrued salaries and benefits	(981)	5,264	(4,733)	1,218
Prepaid services	-	37,311	-	-
Deposits payable	(3,000)	-	-	1,390
Unearned revenue	(105)	(124)	(12,313)	-
Compensated absences payable	(19,775)	(544)	(7,208)	3,483
Postclosure	-	-	(49,643)	-
Net OPEB obligation	(14,734)	70,467	97,486	(4,644)
<b>Net Cash Provided (Used) by Operating Activities</b>	<u>\$ 2,100,685</u>	<u>\$ 335,252</u>	<u>\$ 1,056,044</u>	<u>\$ 81,057</u>
<b>NONCASH INVESTING, CAPITAL, AND FINANCING ACTIVITIES</b>				
Correction of infrastructure	\$ 160,981,981	\$ 168,356,422	\$ -	\$ (904,493)
Correction of construction in progress	-	(3,354,255)	-	-
Correction of accumulated depreciation	(34,046,427)	(47,614,319)	-	-
Correction of unearned revenues	-	-	-	-
Transfers of capital assets to/from governmental funds	2,881,468	2,983,008	1,865,215	(104,059)

The notes to the basic financial statements are an integral part of this statement.

Other Enterprise Funds	Totals	Governmental Activities
		Internal Service Funds
\$ (808,436)	\$ 826,683	\$ (19,375)
59,276	1,129,524	6,703
-	1,513,291	195
(4,329)	(28,202)	(27,485)
-	(25,528)	-
(392)	(695,426)	(75,477)
(189)	579	2,119
-	37,311	-
-	(1,610)	-
(135,155)	(147,697)	-
(2,397)	(26,441)	110,862
-	(49,643)	-
(66,850)	81,725	-
<u>\$ (958,472)</u>	<u>\$ 2,614,566</u>	<u>\$ (2,458)</u>

\$ -	\$ 328,433,910	\$ -
-	(3,354,255)	-
-	(81,660,746)	-
(254,113)	(254,113)	-
-	7,625,632	-

**CITY OF LINCOLN**  
**Statement of Fiduciary Net Position**  
**Fiduciary Funds**  
**June 30, 2014**

	<b>Private Purpose Trust Funds</b>	<b>Agency Funds</b>
<b>ASSETS</b>		
Cash and investments	\$ 2,332,274	\$ 21,136,470
Receivables:		
Interest	1,570,171	1,117
Special assessments	-	183,624
Due from other funds	12,559	
Investment in JPA	3,061	-
Advances to other funds	871,819	-
Restricted cash and investments	2,112,059	33,901,118
Loans receivable	6,194,727	-
Capital assets:		
Non-depreciable	2,837,713	-
Depreciable, net	1,272,446	-
<b>Total Assets</b>	<u>17,206,829</u>	<u>55,222,329</u>
<b>LIABILITIES</b>		
Accounts payable	-	1,554
Interest payable	178,683	-
Deposits payable	1,000	162,422
Due to other agencies	4,344,232	559,581
Due to other funds	12,559	-
Due to property owners	-	34,917,915
Unearned revenue	-	536,365
Advances from other funds	871,819	-
Agency obligations	-	19,044,492
Long-term liabilities:		
Due within one year	604,924	-
Due in more than one year	10,802,009	-
<b>Total Liabilities</b>	<u>16,815,226</u>	<u>55,222,329</u>
<b>NET POSITION</b>		
Net Position held in trust	<u>391,603</u>	<u>-</u>
<b>Total Net Position</b>	<u><u>\$ 391,603</u></u>	<u><u>\$ -</u></u>

The notes to the basic financial statements are an integral part of this statement.

**CITY OF LINCOLN**  
**Statement of Changes in Fiduciary Net Position**  
**Fiduciary Funds**  
**For the Year Ended June 30, 2014**

	<b>Private Purpose Trust Funds</b>
<b>ADDITIONS</b>	
Property taxes	\$ 972,945
Interest and investment income	254,637
Other contributions	125,000
<b>Total Additions</b>	<u>1,352,582</u>
<b>DEDUCTIONS</b>	
Program expenses	58,068
Interest expense	600,388
Depreciation	82,195
Amortization	5,076
<b>Total Deductions</b>	<u>745,727</u>
Transfers in	492,090
Transfers out	<u>(492,090)</u>
<b>Change in Net Position</b>	<u>606,855</u>
<b>Total Net Position - Beginning</b>	(342,353)
Prior period adjustment	<u>127,101</u>
<b>Total Net Position - Beginning, Restated</b>	<u>(215,252)</u>
<b>Total Net Position - Ending</b>	<u><u>\$ 391,603</u></u>

The notes to the basic financial statements are an integral part of this statement.

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## **Basic Financial Statements**

- **Notes to Basic Financial Statements**

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**CITY OF LINCOLN**  
**Notes to Basic Financial Statements**  
**For the Year Ended June 30, 2014**

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The basic financial statements of the City of Lincoln (City) have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental agencies. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The more significant of the City's accounting policies are described below.

**A. Reporting Entity**

The City of Lincoln was incorporated in March 1878 under the laws and regulations of the State of California. The City operates under a City Manager - Council form of government and provides the following services: public safety (Police and Fire), highways and streets, water, sewer, sanitation, airport, culture-recreation, public improvements, planning and zoning, and general administrative services.

Generally accepted accounting principles require government financial statements to include the primary government and its component units. Component units of a governmental entity are legally separate entities for which the primary government is considered to be financially accountable and for which the nature and significance of their relationship with the primary government are such that exclusion would cause the combined financial statements to be misleading. The primary government is considered to be financially accountable if it appoints a majority of an organization's governing body and is able to impose its will on that organization or there is a potential for the organization to provide specific financial benefits to or impose specific financial burdens on the primary government.

Reporting for component units on the City's financial statements can be blended or discretely presented. Blended component units are, although legally separate entities, in substance part of the City's operations and, therefore, data from these units are combined with data of the primary government. Discretely presented component units, on the other hand, would be reported in a separate column in the government-wide financial statements to emphasize it is legally separate from the government.

For financial reporting purposes, the City's basic financial statements include all financial activities that are controlled by or are dependent upon actions taken by the City Council. Separate financial statements for the Lincoln Public Financing Authority are not issued.

**Blended Component Units**

*Lincoln Public Financing Authority* - The Authority was formed by the execution of a Joint Powers Authority Agreement between the City of Lincoln and the former City of Lincoln Redevelopment Agency. The purpose of the Authority is to provide financing of public capital improvements through the acquisition, construction and improvement thereof by the Authority, or the loan of funds to the City or the Agency to enable the City or the Agency to provide for the acquisition construction and improvement of public capital improvements. The Authority is the lessor the City's Revenue Refunding Bonds Series 2000, Lease Revenue Refunding Bonds Series 2003, Lease Revenue Bonds Series 2006, and the City of Lincoln Redevelopment Agency Tax Allocation Bonds Series 2004A and Housing Set Aside Tax Allocation Revenue Bonds Series 2004B and makes debt service payments on behalf of the City and the Successor Agency to the City of Lincoln Redevelopment Agency. The City Council is the governing body of the Authority and because its financial and operational relationship with the City is closely integrated, the Authority debt is reported as bonds payable in the governmental activities, business-type activities, Water enterprise fund, Wastewater Operations enterprise fund and Airport enterprise fund financial statements and long-term debt in the private purpose trust funds.

**CITY OF LINCOLN**  
**Notes to Basic Financial Statements**  
**For the Year Ended June 30, 2014**

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**A. Reporting Entity (Continued)**

**Discretely Presented Component Units**

There are no component units of the City which meet the criteria for discrete presentation.

**Joint Agencies**

The City is a participant in Northern California Cities Self-Insurance Fund (NCCSIF), the purpose of which is for member cities to share in the administrative costs of providing liability and workers' compensation insurance. The NCCSIF is governed by a board of directors appointed by the member cities. Complete financial information can be obtained from the Program Administrator, 600 Montgomery Street, 9<sup>th</sup> Floor, San Francisco, CA 94111. The City is not financially accountable for this organization and therefore it is not a component unit under Statement Nos. 14, 39, and 61 of the Governmental Accounting Standards Board.

**B. Basis of Presentation**

**Government-Wide Financial Statements**

The statement of net position and statement of activities display information on all of the nonfiduciary activities of the City, and its blended component units. These statements include the financial activities of the overall government, except for fiduciary activities. Eliminations have been made to minimize the double counting of internal activities. These statements distinguish between the governmental and business-type activities of the City. Governmental activities, which are normally supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees charged to external parties.

The statement of activities presents a comparison between direct expenses and program revenues for each different identifiable activity of the City's business-type activities and for each function of the City's governmental activities. Direct expenses are those that are specifically associated with a program or function and; therefore, are clearly identifiable to a particular function. Program revenues include 1) charges paid by the recipients of goods and services offered by the program, 2) operating grants and contributions, and 3) capital grants and contributions. Taxes and other items not properly included among program revenues are reported instead as general revenues.

**Fund Financial Statements**

The fund financial statements provide information about the City's funds, including fiduciary funds and blended component units. Funds are organized into three major categories: governmental, proprietary, and fiduciary. The emphasis is placed on major funds within the governmental and proprietary categories; each is displayed in a separate column. All remaining governmental and enterprise funds are separately aggregated and reported as nonmajor funds

**CITY OF LINCOLN**  
**Notes to Basic Financial Statements**  
**For the Year Ended June 30, 2014**

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**B. Basis of Presentation (Continued)**

**Fund Financial Statements (Continued)**

The City reports the following major governmental funds:

- The General fund is the primary operating fund of the City. It accounts for all financial resources of the general government, except those required to be accounted for in another fund. For the City, the General fund includes such activities as public safety, culture and recreation services, public works and facilities, education, and economic development services.
- The Public Facility Element (PFE) Fee fund is a special revenue fund used to account for the fees collected from developers and community services fees for public facilities improvements including, but not limited to, police, fire, and City administration facilities. Funding comes primarily from developer fees and facility fees.
- The Water Connections fund is a special revenue fund used to account for water connection fees collected from developers and property owners that are required by the California Government Code to be expended for capacity expansion. Funding comes primarily from connection fees and investment earnings.

The City reports the following major proprietary funds:

- The Water fund is an enterprise fund used to account for the activities of the water operating and non-operating funds of the City of Lincoln's Public Works Department. Activities include accounting for the Lincoln residents water use, water pipeline installation and repairs, and water meter installation and repairs.
- The Wastewater Operations fund is an enterprise fund used to account for the activities of the wastewater operating and non-operating funds of the City of Lincoln's Public Works Department. Activities include wastewater services and repair.
- The Solid Waste fund is an enterprise fund used to account for the activities of the solid waste operating and non-operating funds of the City of Lincoln's Public Works Department. Activities include accounting for the City of Lincoln's residents' solid waste (garbage) services.
- The Airport fund is an enterprise fund used to account for the activities of the publicly owned Lincoln Regional Airport. The airport was established in 1947 as a regional center for general and corporate aviation.

The City reports the following additional fund types:

- Permanent funds are used to report resources that are legally restricted to the extent that only earnings, and not principal, may be used for purposes that support the City's programs.

**CITY OF LINCOLN**  
**Notes to Basic Financial Statements**  
**For the Year Ended June 30, 2014**

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**B. Basis of Presentation (Continued)**

**Fund Financial Statements (Continued)**

- Internal Service funds account for the City's fleet maintenance and insurance programs and for the City's vehicle and equipment replacement program. These funds provide services to other departments on a cost reimbursement basis.
- The Private Purpose Trust funds account for property held under other trust arrangement under which principal and income benefit individuals, private organizations or other governments. Private purpose trust funds include the Successor Agency to the Redevelopment Agency of the City of Lincoln.
- The Agency funds account for resources held by the City as a trustee or an agent for individuals, private organizations, and other governmental entities. These resources include fees collected on behalf of bonded assessment districts, the Little League organization, preservation of the library, and for the purpose of preserving open space surrounding Markham Ravine area.

**C. Basis of Accounting and Measurement Focus**

The government-wide and proprietary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place. Nonexchange transactions, in which the City gives (or receives) value without directly receiving (or giving) equal value in exchange, include property and sales tax, grants, entitlements, and donations. Under the accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenues from sales tax are recognized when the underlying transactions take place. Revenues from grants, entitlements, and donations are recognized in the fiscal year in which all eligibility requirements have been satisfied.

Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. Property and sales taxes, interest, certain state and federal grants, and charges for services are considered susceptible to accrual and are accrued when their receipt occurs within sixty days after the end of the fiscal year. Expenditures are generally recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures as well as expenditures related to claims and judgments are recorded only when payment is due. General capital assets acquisitions are reported as expenditures in the various functions of the governmental funds. Proceeds of governmental long-term debt and acquisitions under capital leases are reported as other financing sources.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the enterprise and internal service funds are charges to customers for sales and services. Operating expenses for enterprise and internal service funds include the cost of sales and services, administrative expenses, and depreciation of capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

**CITY OF LINCOLN**  
**Notes to Basic Financial Statements**  
**For the Year Ended June 30, 2014**

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**C. Basis of Accounting and Measurement Focus (Continued)**

Fiduciary funds include trust funds and agency funds. All trust funds are reported using the economic resources measurement focus and the accrual basis of accounting. Agency funds are reported using the accrual basis of accounting to recognize receivables and payables.

**D. Non-Current Governmental Assets/Liabilities**

Non-current governmental assets and liabilities, such as capital assets and long-term liabilities, are reported in the governmental activities column in the government-wide statement of net position.

**E. Cash, Cash Equivalents, and Investments**

The City pools cash and investments of all funds. Each fund's share in this pool is displayed in the accompanying financial statements as cash and investments. Interest from pooled investments is allocated to the various funds based on average balances of the funds entitled to receive interest. Interest is allocated on the basis of average month end cash balance amounts for each fund as a percentage of the total balance.

Investments are reported in the accompanying balance sheet at fair value which is determined using selected bases annually. Short term investments are reported at cost, which approximates fair value. Securities traded on a national or international exchange are valued at the last reported sales price at current exchange rates. Cash deposits are reported at carrying amount which reasonably estimates fair value. Managed funds not listed on an established market are reported at the estimated fair value as determined by the respective fund managers based on quoted sales prices of the underlying securities.

For purposes of the accompanying Statement of Cash Flows, the City considers all highly liquid investments, including restricted cash and investments, with original maturity of three months or less and amounts held in the City's investment pool to be cash and cash equivalents.

**F. Restricted Cash and Investments**

Restricted assets in the governmental funds represents cash and investments held in the Community Development Block Grant (CDBG) fund for loans and program income of \$498,615, Lincoln Public Financing Authority Series 2006-1 for debt reserve of \$944,575, Lincoln Public Financing Authority Series 2000 for debt reserve of \$354,879, Lincoln Public Financing Authority Series 2003 for debt reserve of \$720,500 and in the Brookview Open Space Maintenance Trust for maintenance of \$16,255. Restricted assets in the proprietary funds represent cash and investments held in the Wastewater Operations fund for debt service of \$253,290. Restricted assets in the private purpose trust funds represents cash and investments held for debt service and capital projects of \$2,112,059. Restricted assets held in the agency funds represents cash and investments held for capital projects and debt service of \$33,901,118.

**G. Receivables**

Receivables for governmental activities consist mainly of accounts, interest, taxes, and intergovernmental. Management records an allowance for doubtful accounts based on historical trends and the periodic aging of receivables. At June 30, 2014, the allowance for doubtful accounts was \$145,750.

**CITY OF LINCOLN**  
**Notes to Basic Financial Statements**  
**For the Year Ended June 30, 2014**

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**G. Receivables (Continued)**

Receivables for enterprise funds consist mainly of user fees and interest. Management records an allowance for doubtful accounts based on historical trends and the periodic aging of receivables. At June 30, 2014, the allowance for doubtful accounts was \$177,238.

**H. Due from Other Agencies**

The following is a summary of amounts included in Due From Other Agencies as of June 30, 2014:

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>
The Public Facility Element fund had amounts due from the following:		
Lakeside CFD Improvement Area	\$ 271,727	\$ -
The Water Connections fund had amounts due from the following:		
Highway 65 Capital Projects	101,914	-
Former Redevelopment Agency	4,105,046	-
The Water fund had amounts due from the following:		
Lakeside CFD Improvement Area	-	153,947
The Wastewater Operations fund had amounts due from the following:		
Former Redevelopment Agency	-	239,186
The Solid Waste fund had amounts due from the following:		
Lakeside CFD Improvement Area	<u>-</u>	<u>31,993</u>
Total	<u>\$ 4,478,687</u>	<u>\$ 425,126</u>

**I. Loans Receivable**

The following is a summary of the loans receivable outstanding as of June 30, 2014:

Revitalization and Rehabilitation Loan Special Revenue Fund - The City has loaned funds to qualifying individuals. Interest rates vary depending on the terms of the loan. The balance at June 30, 2014 was \$83,641.

Community Development Block Grants (CDBG) Special Revenue Fund - The City has received funding over the years from the California Department of Housing and Community Development for FHA Title 1 and other revolving loans. Notes were issued to borrowers for homebuyers, construction and housing rehabilitation. The notes are secured by first deeds of trust. The notes have various monthly installment amounts and due dates. Interest rates vary depending on the term of the loan. The balance at June 30, 2014 including accrued interest was \$596,243.

Home Investment Partnership Program Special Revenue Fund - The City made various loans to qualifying participants within the City as part of the Federal First Time Homebuyers Program (HOME), which is an owner occupied housing program. Interest rates vary depending the terms of the loan. The notes receivable including accrued interest at June 30, 2014 were \$2,177,326.

**CITY OF LINCOLN**  
**Notes to Basic Financial Statements**  
**For the Year Ended June 30, 2014**

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**I. Loans Receivable (Continued)**

Other Special Revenue Funds - The City has made a loan to qualifying participants within the City. The interest rate for this loan is 3 percent. The balance at June 30, 2014 was \$499,581.

**J. Other Assets**

**Inventory**

Governmental funds inventories are recorded as expenditures at the time inventory is purchased rather than when consumed. Records are not maintained of inventory and supplies on hand, although these amounts are not considered material.

Inventories of proprietary funds are stated at average cost. Inventory recorded by proprietary funds includes supplies for the airport. Proprietary fund inventories are recorded as expenses when consumed.

**Prepaid Items**

Payments made for services that will benefit periods beyond June 30, 2014 are recorded as prepaid costs in both government-wide and fund financial statements. The cost of prepaid items is recorded as expenditures/expenses when consumed rather than when purchased.

**K. Capital Assets**

Capital assets, including public domain (infrastructure such as roads, bridges, sidewalks, sewer, similar items), are defined by the City as an asset with a cost greater than \$5,000 and an estimated useful life of more than one year. Capital assets are recorded at historical or estimated historical cost if actual historical cost is unavailable. Contributed capital assets are recorded at their estimated fair market value at the date of donation.

Capital assets used in operations are depreciated or amortized using the straight-line method over the assets estimated useful life in the government-wide financial statements. The range of estimated useful lives by type of asset is as follows:

<u>Depreciable Asset</u>	<u>Estimated Lives</u>
Building and structures	20-50 years
Machinery and equipment	5-15 years
Land improvements	20 years

Maintenance and repairs are charged to operations when incurred. Betterments and major improvements which significantly increase values, change capacities or extend useful lives are capitalized. Upon sale or retirement of capital assets, the cost and related accumulated depreciation are removed from the respective accounts and any resulting gain or loss is included in the results of operations.

**CITY OF LINCOLN**  
**Notes to Basic Financial Statements**  
**For the Year Ended June 30, 2014**

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**L. Property Tax**

Placer County assesses properties, bills, collects, and distributes property taxes to the City. The County remits the entire amount levied and handles all delinquencies, retaining interest and penalties.

Property taxes are levied on a fiscal year (July 1 - June 30). The secured property tax assessments are due on November 1 and February 1 and become delinquent after December 10 and April 10, respectively. The unsecured property tax assessments are due on August 1 and become delinquent after August 31. Property taxes become a lien on the property effective January 1 of the preceding year.

The City recognizes property taxes when the individual installments are due provided they are collected within 60 days after year-end.

**M. Interfund Transactions**

Interfund transactions are reflected as either loans, services provided or used, reimbursements or transfers.

Loans reported as receivables and payables are referred to as either “due to/from other funds” (i.e. the current portion of interfund loans) or “advances to/from other funds” (i.e., the noncurrent portion of interfund loans) as appropriate and are subject to elimination upon consolidation. Any residual balances outstanding between the governmental activities and the business-type activities are reported in the government-wide financial statements as “internal balances.” Advances between funds, as reported in the fund financial statements, are offset by a nonspendable fund balance account in applicable governmental funds to indicate that they are not in spendable form.

Services provided or used, deemed to be at market or near market rates, are treated as revenues and expenditures or expenses. These services provide information on the net cost of each government function and therefore are not eliminated in the process of preparing the government-wide statement of activities.

Reimbursements occur when the funds responsible for particular expenditures or expenses repay the funds that initially paid for them. Such reimbursements are reflected as expenditures or expenses in the reimbursing fund and reductions to expenditures or expenses in the reimbursed fund.

All other interfund transactions are treated as transfers. Transfers between funds are netted as part of the reconciliation to the government-wide presentation.

**N. Unearned Revenue**

Under the accrual and modified accrual basis of accounting, revenue may be recognized only when it is earned. When assets are recognized in connection with a transaction before the earnings process is complete, those assets are offset by a corresponding liability for unearned revenue.



**CITY OF LINCOLN**  
**Notes to Basic Financial Statements**  
**For the Year Ended June 30, 2014**

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**O. Compensated Absences**

It is the City's policy to permit employees to accumulate earned but unused vacation and sick leave. Unused vacation and compensatory time off benefits are paid to employees upon termination. For employees with over five years continuous employment, unused sick leave benefits are paid ratably in accordance with the length of service upon termination. In the government-wide financial statements the accrued compensated absences is recorded as an expense and related liability, with the current portion estimated based on historical trends. In the governmental fund financial statements the expenditures and liabilities related to those obligations are recognized only when they mature. In the proprietary funds the accrued compensated absences is recorded as an expense and related liability in the year earned. The City includes its share of social security and medicare taxes payable on behalf of the employees in the accrual for compensated absences.

**P. Deferred Outflows/Inflows of Resources**

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period and so will not be recognized as an outflow of resources (expense/expenditure) until then. At June 30, 2014, the City did not have any deferred outflows of resources.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period and so will not be recognized as an inflow of resources (revenue) until that time. The government has only one type of item, which arises only under the modified accrual basis of accounting, that qualifies for reporting in this category. Accordingly, the item, unavailable revenue, is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues for receivables that have not been received within the modified accrual period. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

**Q. Estimates**

The preparation of basic financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

**R. Implementation of Governmental Accounting Standards Board Statements (GASB)**

The following Governmental Accounting Standards Board (GASB) Statement has been implemented, if applicable to the City of Lincoln, in the current financial statements.

**Statement No. 70**, Accounting and Financial Reporting for Nonexchange Financial Guarantees. This statement improves accounting and financial reporting by state and local governments that extend and receive nonexchange financial guarantees.

**CITY OF LINCOLN**  
**Notes to Basic Financial Statements**  
**For the Year Ended June 30, 2014**

**NOTE 2: STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY**

**A. Restatement of Net Position/Fund Balance**

Adjustments resulting from errors or a change to comply with provisions of the accounting standards are treated as adjustments to prior periods. Accordingly, the City reports these changes as restatements of beginning net position/fund balance. During the current year adjustments were required to correct a prior year misstatement of capital assets, unavailable revenue, unearned revenues, and interfund loan interest expense.

The impact of the restatements on the net position on the government-wide financial statements as previously reported is presented below:

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>
Net Position, June 30, 2013, as previously reported	\$ 363,521,662	\$ 125,668,092
Adjustment associated with:		
Correction of capital assets	48,913,860	243,424,813
Correction of unavailable revenue	( 234,000)	-
Correction of unearned revenues	-	( 254,113)
Correction of interfund loan interest expense	( 127,101)	-
Total Adjustments	<u>48,552,759</u>	<u>243,170,700</u>
Net Position, July 1, 2013, as restated	<u><u>\$ 412,074,421</u></u>	<u><u>\$ 368,838,792</u></u>

The impact of the restatements on the fund balance on the fund financial statements as previously reported is presented below:

	<u>Public Facility Element (PFE)</u>	<u>Water Connections</u>
Fund Balance, June 30, 2013, as previously reported	(\$ 16,670,423)	\$ 27,819,540
Adjustment associated with:		
Correction of unavailable revenue	( 234,000)	-
Correction of interfund loan interest expense	-	( 127,101)
Total Adjustments	<u>( 234,000)</u>	<u>( 127,101)</u>
Fund Balance, July 1, 2013, as restated	<u><u>(\$ 16,904,423)</u></u>	<u><u>\$ 27,692,439</u></u>

The impact of the restatements on the net position on the proprietary fund financial statements as previously reported is presented below:

	<u>Water</u>	<u>Wastewater Operations</u>	<u>Airport</u>	<u>Other Enterprise Funds</u>
Net Position, June 30, 2013, as previously reported	\$ 44,576,229	\$65,558,410	\$ 1,899,064	\$ 1,029,619
Adjustment associated with:				
Correction of capital assets	126,935,554	117,393,752	( 904,493)	-
Correction of unearned revenues	-	-	-	( 254,113)
Total Adjustments	<u>126,935,554</u>	<u>117,393,752</u>	<u>( 904,493)</u>	<u>( 254,113)</u>
Net Position, July 1, 2013, as restated	<u><u>\$171,511,783</u></u>	<u><u>\$ 182,952,162</u></u>	<u><u>\$ 994,571</u></u>	<u><u>\$ 775,506</u></u>

**CITY OF LINCOLN**  
**Notes to Basic Financial Statements**  
**For the Year Ended June 30, 2014**

**NOTE 2: STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY (CONTINUED)**

**B. Deficit Fund Balance/Unrestricted Net Position**

The following major special revenue fund had a deficit fund balance:

Public Facility Element (PFE) - These funds, whose primary revenue source is development impact fees, have a negative fund balance of \$9,091,236 because of funding infrastructure projects, public facilities and parks. These facilities were constructed during a significant growth period in the City, and as the economy slowed and development stopped, revenue into these funds was not sufficient to repay the cost of the projects that had been constructed. As the economy recovers over time and new development increases, it is anticipated that fees collected will be utilized to eliminate the negative balance in this fund.

The following major enterprise fund had a deficit unrestricted net position:

Airport fund - This fund has a negative net position of \$215,283 and an unrestricted net position deficit of \$5,094,727. This fund does not have an immediate revenue source to cover this negative amount. The unrestricted net position deficit is due to airport revenue generating activities such as fuel sales, tie downs, and hangar rentals which have not kept up with operating expenses and capital improvement costs.

The following nonmajor special revenue fund had a deficit fund balance:

Other Special Revenue funds - These funds have a fund balance deficit of \$527,803, which is expected to be eliminated in future years through grant revenues.

**C. Rebatable Arbitrage**

The Tax Reform act of 1986 instituted certain arbitrage restrictions with respect to the issuance of tax-exempt bonds after August 31, 1986. Arbitrage regulations deal with the investment of all tax exempt bond proceeds at an interest yield greater than the interest yield paid to bondholders. Generally, all interest paid to bondholders can be retroactively rendered taxable if applicable rebates are not reported and paid to the Internal Revenue Service (IRS) at least every five years. The City does not expect to incur a liability for rebatable arbitrage at June 30, 2014.

**NOTE 3: CASH AND INVESTMENTS**

**A. Financial Statement Presentation**

As of June 30, 2014, the City's cash and investments are reported in the financial statements as follows:

Governmental activities	\$ 60,740,616
Business type activities	36,212,515
Fiduciary funds	<u>59,481,921</u>
Total Cash and Investments	<u><u>\$156,435,052</u></u>

**CITY OF LINCOLN**  
**Notes to Basic Financial Statements**  
**For the Year Ended June 30, 2014**

**NOTE 3: CASH AND INVESTMENTS (CONTINUED)**

**A. Financial Statement Presentation (Continued)**

As of June 30, 2014, the City's cash and investments consisted of the following:

Cash:	
Cash on hand	\$ 2,185
Deposits (less outstanding checks)	9,992,381
Deposits with fiscal agents	<u>38,872,325</u>
Total Cash	<u>48,866,891</u>
Investments:	
In City's pool	<u>107,568,161</u>
Total Investments	<u>107,568,161</u>
Total Cash and Investments	<u><u>\$156,435,052</u></u>

**B. Cash**

At year end, the carrying amount of the City's cash deposits (including amount in checking accounts and money market accounts) was \$48,864,706 and the bank balance was \$47,972,072. The difference between the bank balance and the carrying amount represents outstanding checks and deposits in transit. In addition the City had cash on hand of \$2,185.

Custodial Credit Risk for Deposits - Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, the City will not be able to recover its deposits or collateral securities that are in the possession of an outside party. The City's investment policy requires that deposits in banks must meet the requirements of California Government Code. Under this code, deposits of more than \$250,000 must be collateralized at 105 percent to 150 percent of the value of the deposit to guarantee the safety of the public funds. The first \$250,000 of the City's deposits are insured by the Federal Deposit Insurance Corporation (FDIC). Deposits more than the \$250,000 insured amount are collateralized.

**C. Investments**

Pursuant to Section 53646 of the Government Code, the City prepares an investment policy annually and presents it to the City Council for review and approval.

**CITY OF LINCOLN**  
**Notes to Basic Financial Statements**  
**For the Year Ended June 30, 2014**

**NOTE 3: CASH AND INVESTMENTS (CONTINUED)**

**C. Investments (Continued)**

The investment policy provides the basis for the management of a prudent, conservative investment program. Funds are invested to provide the maximum security of principal with secondary emphasis on achieving the highest return, while meeting daily cash flow needs. All investments are made in accordance with the Government Code and, in general, the investment policy is more restrictive than state law. Under the provisions of the City's investment policy the City may invest or deposit in the following:

- Banker's Acceptances
- Commercial Paper
- Local Agency Investment Fund (LAIF)
- Mutual Funds
- Medium Term Corporate Notes
- Money Market Funds
- Negotiable Certificates of Deposit
- Repurchase Agreements/Reverse Repurchase Agreements
- Securities of the Federal Government or its Agencies
- Time Certificates of Deposit

Interest Rate Risk - Interest rate risk is the risk of loss due to the fair value of an investment falling due to interest rates rising. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. To limit exposure to fair value losses resulting from increases in interest rates, the City's investment policy limits investment maturities to a term appropriate to the need for funds so as to permit the City to meet all projected obligations. Any investments that mature more than five years from the date of purchase cannot occur without prior approval of the City Council.

As of June 30, 2014, the City had the following investments, all of which had a maturity of 5 years or less:

Investment Type	Interest Rates	Maturities		Fair Value	Weighted Average Maturity (Years)
		0-1 year	1-5 years		
US Treasuries	1.00-2.75%	\$ -	\$ 7,593,269	\$ 7,593,269	4.59
Government Agency Securities	0.70-6.64%	9,571,786	37,387,501	46,959,287	2.69
Corporate Bonds	0.00-6.25%	3,695,643	29,290,554	32,986,197	3.08
Municipal Bonds	3.00-5.50%	509,644	2,124,731	2,634,375	1.89
Certificates of Deposit	0.95-1.00%	402,786	-	402,786	0.36
Local Agency Investment Fund (LAIF)	Variable	16,992,247	-	16,992,247	-
Total		<u>\$ 31,172,106</u>	<u>\$76,396,055</u>	<u>\$107,568,161</u>	<u>2.49</u>

**CITY OF LINCOLN**  
**Notes to Basic Financial Statements**  
**For the Year Ended June 30, 2014**

**NOTE 3: CASH AND INVESTMENTS (CONTINUED)**

**C. Investments (Continued)**

Credit Risk - Credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. The City's investment policy sets specific parameters by type of investment to be met at the time of purchase. Presented below is the minimum rating required by (where applicable) the California Government Code or the City's investment policy, and the actual rating as of year end for each investment type.

Investment Type	Minimum Legal Rating	Standard & Poor's Rating	Moody's Rating	% of Portfolio
US Treasuries	N/A	AA+	AAA	7.07%
Federal Farm Credit Bank	N/A	AA+	AAA	1.66%
Federal Home Loan Mortgage	N/A	AA+	AAA	7.47%
Federal Home Loan Bank	N/A	AA+	AAA	12.69%
Federal National Mortgage Association	N/A	AA+	AAA	20.92%
Tenn Valley Authority	N/A	AA+	AAA	0.94%
Corporate Bonds	A	A	A	0.27%
Corporate Bonds	A	A+	A1	2.38%
Corporate Bonds	A	AA+	A1	1.92%
Corporate Bonds	A	A	A2	2.21%
Corporate Bonds	A	A-	A2	0.47%
Corporate Bonds	A	A+	A2	2.90%
Corporate Bonds	A	Unrated	A2	0.99%
Corporate Bonds	A	A	A3	1.68%
Corporate Bonds	A	A-	A3	0.47%
Corporate Bonds	A	BBB	A3	0.48%
Corporate Bonds	A	BBB+	A3	0.47%
Corporate Bonds	A	A+	A3	0.27%
Corporate Bonds	A	A-	A3	0.51%
Corporate Bonds	A	AA-	A3	0.49%
Corporate Bonds	A	AAA	AAA	0.47%
Corporate Bonds	A	B+	B1	0.74%
Corporate Bonds	A	A	BAA1	0.24%
Corporate Bonds	A	A-	BAA1	7.39%
Corporate Bonds	A	BBB+	BAA1	0.48%
Corporate Bonds	A	A-	BAA2	5.59%
Corporate Bonds	A	Unrated (1)	Unrated (1)	0.18%
Municipal Bonds	A	A-	A1	0.73%
Municipal Bonds	A	AA	AA1	0.26%
Municipal Bonds	A	A	AA3	1.20%
Municipal Bonds	A	AA	AA3	0.25%
Certificates of Deposit	A	Unrated	Unrated	0.37%
LAIF	N/A	Unrated	Unrated	15.84%
Total				<u>100.00%</u>

- (1) Investment in Lehman Brothers. Corporation filed for bankruptcy in 2008 and rating was withdrawn. This investment matures January 24, 2013. The face value is \$1,000,000 and the estimated fair value is \$193,750.

**CITY OF LINCOLN**  
**Notes to Basic Financial Statements**  
**For the Year Ended June 30, 2014**

**NOTE 3: CASH AND INVESTMENTS (CONTINUED)**

**C. Investments (Continued)**

Custodial Credit Risk for Investments - Custodial credit risk for investments is the risk that, in the event of the failure of a depository financial institution, the City will not be able to recover its deposits or collateral securities that are in the possession of an outside party. To mitigate the custodial credit risk the City's investment policy requires that all of its managed investments shall be held in the name of the City in safekeeping by a third party bank trust department. Custodial credit risk does not apply to a local government's indirect investments in securities through use of mutual funds or government investment pools.

Concentration of Credit Risk - Concentration of credit risk is the risk of loss attributed to the magnitude of the City's investment in a single issuer of securities. When investments are concentrated in one issuer, this concentration presents a heightened risk of potential loss. The City's investment policy contains limitations on the amount that can be invested in any one issuer. Investments in any one issuer (other than U.S. Treasury securities, mutual funds, and external investment pools) at June 30, 2014, that represent 5 percent or more of total City investments are as follows:

<u>Investment Type</u>	<u>Amount Invested</u>	<u>Percentage of Investments</u>
Federal Home Loan Mortgage	\$ 8,002,506	7.47%
Federal Home Loan Bank	13,590,480	12.69%
Federal National Mortgage Association	22,401,544	20.92%

**D. Investment in External Investment Pools**

Investment in Local Agency Investment Fund - The City of Lincoln is a voluntary participant in the Local Agency Investment Fund (LAIF) that is regulated by the California Government Code and is managed by the Treasurer of the State of California. The Local Investment Advisory Board (LAIF Board) has oversight responsibility for LAIF. The LAIF Board consists of five members as designated by State statute. Investments in LAIF are available on demand and are stated at amortized cost, which approximates fair value. The fair value of the City's position in the pool is the same as the value of the pooled shares. At June 30, 2014 the City's investment position in LAIF was \$16,992,247. The total amount invested by all public agencies in LAIF on that day was \$64,846,169,129. Of that amount, 98.14% is invested in non-derivative financial products and 1.86% in structured notes and asset-backed securities.

**CITY OF LINCOLN**  
**Notes to Basic Financial Statements**  
**For the Year Ended June 30, 2014**

**NOTE 4: CAPITAL ASSETS**

Capital assets activity for the year ended June 30, 2014, was as follows:

	Balance July 1, 2013	Additions	Retirements	Transfers/ Adjustments	Balance June 30, 2014
<b>Governmental Activities</b>					
Capital assets, not being depreciated:					
Land	\$ 11,981,626	\$ -	\$ -	\$ -	\$ 11,981,626
Easements	-	-	-	242,604	242,604
Construction in progress	127,283,274	3,569,546	-	( 120,752,732)	10,100,088
Total Capital Assets, Not Being Depreciated	<u>139,264,900</u>	<u>3,569,546</u>	<u>-</u>	<u>( 120,510,128)</u>	<u>22,324,318</u>
Capital assets, being depreciated:					
Building and improvements	76,599,352	-	-	( 4,047,837)	72,551,515
Machinery and equipment	7,938,526	582,951	( 331,573)	( 90)	8,189,814
Infrastructure	108,951,075	6,505,442	-	303,208,094	418,664,611
Land improvements	21,128,973	-	( 9,876)	-	21,119,097
Total Capital Assets, Being Depreciated	<u>214,617,926</u>	<u>7,088,393</u>	<u>( 341,449)</u>	<u>299,160,167</u>	<u>520,525,037</u>
Less accumulated depreciation for:					
Buildings and improvements	( 8,968,399)	( 1,742,951)	-	94,676	( 10,616,674)
Machinery and equipment	( 5,896,275)	( 268,288)	331,573	760	( 5,832,230)
Infrastructure	-	-	-	( 134,220,626)	( 134,220,626)
Land improvements	( 2,767,822)	( 861,506)	-	-	( 3,629,328)
Total Accumulated Depreciation	<u>( 17,632,496)</u>	<u>( 2,872,745)</u>	<u>331,573</u>	<u>( 134,125,190)</u>	<u>( 154,298,858)</u>
Total Capital Assets, Being Depreciated, Net	<u>196,985,430</u>	<u>4,215,648</u>	<u>( 9,876)</u>	<u>165,034,977</u>	<u>366,226,179</u>
Governmental Activities Capital Assets, Net	<u>\$336,250,330</u>	<u>\$ 7,785,194</u>	<u>(\$ 9,876)</u>	<u>\$ 44,524,849</u>	<u>\$ 388,550,497</u>



**CITY OF LINCOLN**  
**Notes to Basic Financial Statements**  
**For the Year Ended June 30, 2014**

**NOTE 4: CAPITAL ASSETS (CONTINUED)**

	Balance July 1, 2013	Additions	Retirements	Transfers/ Adjustments	Balance June 30, 2014
<b>Business-Type Activities</b>					
Capital assets, not being depreciated:					
Land	\$ 1,699,900	\$ -	(\$ 108,260)	\$ -	\$ 1,591,640
Construction in progress	<u>9,752,801</u>	<u>577,308</u>	<u>-</u>	<u>( 8,483,597)</u>	<u>1,846,512</u>
Total Capital Assets, Not Being Depreciated	<u>11,452,701</u>	<u>577,308</u>	<u>( 108,260)</u>	<u>( 8,483,597)</u>	<u>3,438,152</u>
Capital assets, being depreciated:					
Building and improvements	15,573,116	5,025,391	-	4,086,996	24,685,503
Machinery and equipment	7,735,469	68,132	-	-	7,803,601
Infrastructure	80,843,459	2,704,303	-	328,801,421	412,349,183
Land improvements	<u>1,118,139</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,118,139</u>
Total Capital Assets, Being Depreciated	<u>105,270,183</u>	<u>7,797,826</u>	<u>-</u>	<u>332,888,417</u>	<u>445,956,426</u>
Less accumulated depreciation for:					
Buildings and improvements	( 9,912,573)	( 729,953)	-	-	( 10,642,526)
Machinery and equipment	( 5,330,013)	( 343,568)	-	-	( 5,673,581)
Infrastructure	-	-	-	( 81,660,746)	( 81,660,746)
Land improvements	<u>( 108,552)</u>	<u>( 56,003)</u>	<u>-</u>	<u>-</u>	<u>( 164,555)</u>
Total Accumulated Depreciation	<u>( 15,351,138)</u>	<u>( 1,129,524)</u>	<u>-</u>	<u>( 81,660,746)</u>	<u>( 98,141,408)</u>
Total Capital Assets, Being Depreciated, Net	<u>89,919,045</u>	<u>6,668,302</u>	<u>-</u>	<u>251,227,671</u>	<u>347,815,018</u>
Business-Type Activities Capital Assets, Net	<u><u>\$101,371,746</u></u>	<u><u>\$ 7,245,610</u></u>	<u><u>(\$ 108,260)</u></u>	<u><u>\$242,744,074</u></u>	<u><u>\$351,253,170</u></u>

**Depreciation**

Depreciation expense was charged to governmental functions as follows:

General government	\$ 30,573
Public safety	226,861
Public works and facilities	2,603,694
Culture and recreation	<u>4,914</u>
Subtotal – Governmental Funds	2,866,042
Depreciation on capital assets held by the City's internal service fund are charged to the various functions based on their usage of the assets	<u>6,703</u>
Total Depreciation Expense - Governmental Functions	<u><u>\$ 2,872,745</u></u>

**CITY OF LINCOLN**  
**Notes to Basic Financial Statements**  
**For the Year Ended June 30, 2014**

**NOTE 4: CAPITAL ASSETS (CONTINUED)**

**Depreciation (Continued)**

Depreciation expense was charged to the business-type functions as follows:

Water	\$ 99,238
Wastewater Operations	294,047
Solid Waste	305,768
Airport	371,195
Transit	<u>59,276</u>
Total Depreciation Expense – Business-Type Functions	<u><u>\$ 1,129,524</u></u>

**Construction in Progress**

Construction in progress for governmental activities relates primarily to work performed on street reconstruction, civic auditorium/cultural arts center, water wells and water storage tanks.

Construction in progress for business-type activities relates primarily to work performed on water wells, water storage tanks, wastewater improvements and airport arrival and departure building.

**NOTE 5: INTERFUND TRANSACTIONS**

**Due To/From Other Funds**

During the course of operations, transactions occur between funds to account for goods received or services rendered. These receivables and payables are classified as due from or due to other funds. In addition, when funds overdraw their share of pooled cash, the receivables and payables are also classified as due from or due to other funds. The following are due to and due from balances as of June 30, 2014:

	<u>Due From Other Funds</u>	<u>Due To Other Funds</u>
Public Facility Element (PFE)	\$ 526,383	11,448,612
Water Connections	17,241,485	-
Nonmajor Governmental Funds	314,074	751,973
Wastewater Operations	58,427	506,157
Solid Waste	243,905	-
Airport	-	5,677,532
Private Purpose Trust Funds	<u>12,559</u>	<u>12,559</u>
Total	<u><u>\$ 18,396,833</u></u>	<u><u>\$ 18,396,833</u></u>

The PFE special revenue fund and the airport enterprise fund have balances due to other funds for which they have not demonstrated the ability to repay within one year of the financial statement date.

**CITY OF LINCOLN**  
**Notes to Basic Financial Statements**  
**For the Year Ended June 30, 2014**

**NOTE 5: INTERFUND TRANSACTIONS (CONTINUED)**

**Due To/From Other Funds (Continued)**

The liability in the PFE fund is due to expenditures incurred in prior years for the construction of various general infrastructure projects of the City. Developer fees and other revenue sources were not sufficient to pay for these projects.

The liability in the Airport fund is due to expenses incurred for capital assets such as the airport hangars and general operating costs. Operating revenues such as fuel sales, tie downs and lease revenue are not sufficient to fund the general operating costs of the airport operation.

**Advances To/From Other Funds**

Advances to/from other funds are non-current interfund loans and are offset by a nonspendable fund balance account in applicable governmental funds to indicate they are not in spendable form. The following are advances to/from other funds as of June 30, 2014:

	<u>Advances To Other Funds</u>	<u>Advances From Other Funds</u>
Public Facility Element (PFE)	\$ 3,352,000	\$ 9,788,200
Water Connections	673,242	-
Nonmajor Governmental Funds	2,000,000	-
Wastewater Operations	-	673,242
Solid Waste	4,436,200	-
Private Purpose Trust Funds	<u>871,819</u>	<u>871,819</u>
Total	<u>\$ 11,333,261</u>	<u>\$ 11,333,261</u>

The advances to the PFE fund were made to finance the construction of a fire station, the public works building, regional park and regional retention facility. These loans accrue interest at LAIF rates. The loans are due in fiscal years ending 2016, 2017, and 2018.

The advance to the Wastewater Operations fund was made to pay obligations due to the Water Connections fund. This loan accrues interest at LAIF rates. The loan is due in fiscal year ending 2015.

The advance to and from the Private Purpose Trust funds was made by the Low/Moderate Income Housing fund to the Redevelopment Agency.

**CITY OF LINCOLN**  
**Notes to Basic Financial Statements**  
**For the Year Ended June 30, 2014**

**NOTE 5: INTERFUND TRANSACTIONS (CONTINUED)**

**Transfers**

Transfers are indicative of funding for capital projects, lease payments or debt service, subsidies of various City operation and re-allocations of special revenues. The following are the interfund transfers for fiscal year ended June 30, 2014:

	Transfer In	Transfer Out
General Fund	\$ 362,429	\$ 1,927,851
Public Facility Element (PFE)	5,311,721	449,935
Water Connections	-	73,963
Nonmajor Governmental Funds	2,159,575	1,149,665
Water	5,810,207	6,906,755
Wastewater Operations	5,715,237	7,234,105
Solid Waste	480,000	2,504,239
Airport	-	832,685
Nonmajor Enterprise Funds	-	75,823
Internal Service Funds	1,315,852	-
Private Purpose Trust Funds	492,090	492,090
Total	<u>\$ 21,647,111</u>	<u>\$ 21,647,111</u>

**NOTE 6: UNEARNED REVENUE**

At June 30, 2014, components of unearned revenue were as follows:

	Unearned
Public Facility Element (PFE)	
SCIP 04	\$ 169,830
Nonmajor Governmental Funds	
RSTP Exchange allocation	250,287
State grant advance received	115,000
Developer Fees	897,099
SCIP 04	1,308
State grant advance received	361,587
Mitigation fee advance received	3,646
Water	
SCIP 04	53,670
Wastewater Operations	
SCIP 04	46,758
Solid Waste	
State and Federal grant advances received	1,996
Nonmajor Proprietary Funds	
State transit allocations	118,958
Total	<u>\$ 2,020,139</u>

**CITY OF LINCOLN**  
**Notes to Basic Financial Statements**  
**For the Year Ended June 30, 2014**

**NOTE 7: LONG-TERM LIABILITIES**

The following is a summary of changes in long-term liabilities for the year ended June 30, 2014:

<u>Type of Indebtedness</u>	<u>Balance July 1, 2013</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance June 30, 2014</u>	<u>Amounts Due Within One Year</u>
<b>Governmental Activities</b>					
Bonds	\$21,490,000	\$ -	(\$ 715,000)	\$ 20,775,000	\$ 745,000
Less: Discount	( 79,315)	-	3,449	( 75,866)	( 3,449)
Plus: Premium	12,610	-	( 841)	11,769	841
Bonds, net	21,423,295	-	( 712,392)	20,710,903	742,392
Capital Leases	-	568,873	( 56,784)	512,089	135,524
Compensated absences	1,566,121	768,757	( 637,333)	1,697,545	1,398,179
Net OPEB obligation	2,256,593	868,896	( 248,817)	2,876,672	-
Total Governmental Activities	<u>\$25,246,009</u>	<u>\$2,206,526</u>	<u>(\$ 1,655,326)</u>	<u>\$ 25,797,209</u>	<u>\$2,276,095</u>
<b>Business-Type Activities</b>					
Loans	\$ 84,716	\$ -	(\$ 22,125)	\$ 62,591	\$ 23,730
Bonds	410,000	-	( 150,000)	260,000	135,000
Capital leases	1,800,232	-	( 84,562)	1,715,670	88,638
Postclosure	1,389,874	48,822	( 98,465)	1,340,231	-
Compensated absences	352,261	158,638	( 185,078)	325,821	263,116
Net OPEB obligation	1,110,231	228,025	( 146,301)	1,191,955	-
Total Business-Type Activities	<u>\$ 5,147,314</u>	<u>\$ 435,485</u>	<u>(\$ 686,531)</u>	<u>\$ 4,896,268</u>	<u>\$ 510,484</u>

Compensated absences for governmental activities are generally liquidated by the fund where the accrued liability occurred. The net other postemployment benefit obligation for the governmental activities is generally liquidated by the fund where the accrued liability occurred.

Individual issues of debt payable outstanding at June 30, 2014, are as follows:

**Governmental Activities**

**Bonds:**

Lincoln Public Financing Authority Revenue Refunding Bonds Series 2000 issued December 2000, in the total amount of \$12,275,000. of which \$2,300,000 is considered a liability of the governmental activities and is payable in annual installments of \$20,000 to \$130,000 with an interest rate of 4.25% to 5.90% and maturity on September 15, 2017. The bonds were used to finance certain public capital improvements.

\$ 170,000

Lincoln Public Financing Authority Lease Revenue Refunding Bonds (City Facilities Project) Series 2003 issued July 2003, in the amount of \$10,560,000 and payable in annual installments of \$295,000 to \$685,000 with an interest rate of 2.50% to 5.00% and maturity on August 1, 2028. The bonds were used to fund the acquisition and construction of a new public safety facility.

7,505,000

**CITY OF LINCOLN**  
**Notes to Basic Financial Statements**  
**For the Year Ended June 30, 2014**

**NOTE 7: LONG-TERM LIABILITIES (CONTINUED)**

Individual issues of debt payable outstanding at June 30, 2014, are as follows: (Continued)

**Governmental Activities (Continued)**

Bonds: (Continued)

Lincoln Public Financing Authority Lease Revenue Bonds (City Hall Project) Series 2006 issued July 2006 in the amount of \$14,550,000 and payable in annual installments of \$265,000 to \$910,000, with an interest rate of 3.75% to 5.125% and maturity of August 1, 2036. The bonds were used to finance the acquisition, construction, and improvement of new city administration facilities.

13,100,000

Total Bonds 20,775,000

Total Governmental Activities \$ 20,775,000

**Business-Type Activities**

Loans:

Safe Water Bond Act Loan issued June 1, 1993, in the amount of \$314,594 and payable in semi-annual installments of \$13,887, with an interest rate of 7.125% and maturity on January 1, 2017. Loan proceeds were used to refinance the prior loan.

62,591

Total Loans 62,591

Bonds:

Lincoln Public Financing Authority Revenue Refunding Bonds Series 2000 issued December 2000, in the total amount of \$12,275,000 of which \$4,350,000 is considered a liability of the business-type activities and is payable in annual installments of \$125,000 to \$410,000 with an interest rate of 4.25% to 5.90% and maturity on September 15, 2017. The bonds were used to finance certain water, wastewater and airport improvements.

260,000

Total Bonds 260,000

Total Business-Type Activities \$ 322,591

Following is a schedule of debt payment requirements of governmental activities and business-type activities to maturity for long-term debt, excluding compensated absences that have indefinite maturities, capital leases which are reported in Note 8, landfill postclosure costs which are reported in Note 9 and net OPEB obligation which is reported in Note 13.

**CITY OF LINCOLN**  
**Notes to Basic Financial Statements**  
**For the Year Ended June 30, 2014**

**NOTE 7: LONG-TERM LIABILITIES (CONTINUED)**

**Governmental Activities**

Year Ended June 30	Bonds		
	Principal	Interest	Total
2015	\$ 745,000	\$ 956,086	\$ 1,701,086
2016	770,000	928,994	1,698,994
2017	795,000	899,645	1,694,645
2018	800,000	869,195	1,669,195
2019	815,000	836,149	1,651,149
2020-2024	4,675,000	3,560,212	8,235,212
2025-2029	5,960,000	2,240,897	8,200,897
2030-2034	3,610,000	1,063,288	4,673,288
2035-2037	2,605,000	189,406	2,794,406
Total	<u>\$ 20,775,000</u>	<u>\$ 11,543,872</u>	<u>\$ 32,318,872</u>

**Business-Type Activities**

Year Ended June 30	Loans		
	Principal	Interest	Total
2015	\$ 23,730	\$ 4,044	\$ 27,774
2016	25,451	2,323	27,774
2017	13,410	476	13,886
Total	<u>\$ 62,591</u>	<u>\$ 6,843</u>	<u>\$ 69,434</u>

Year Ended June 30	Bonds		
	Principal	Interest	Total
2015	\$ 135,000	\$ 12,995	\$ 147,995
2016	125,000	4,218	129,218
Total	<u>\$ 260,000</u>	<u>\$ 17,213</u>	<u>\$ 277,213</u>

**NOTE 8: LEASES**

**Operating Leases**

The City is committed under various cancellable and noncancellable operating leases for building and office space. Operating leases do not give rise to property rights or lease obligations and, therefore, the results of the lease agreements are not reflected in the City's government-wide financial statements.

**CITY OF LINCOLN**  
**Notes to Basic Financial Statements**  
**For the Year Ended June 30, 2014**

**NOTE 8: LEASES (CONTINUED)**

**Capital Leases**

The City has entered into certain capital lease agreements under which the related equipment will become the property of the City when all terms of the lease agreements are met.

	<u>Stated Interest Rate</u>	<u>Present Value Of remaining Payments at June 30, 2014</u>
Governmental Activities	4.050%	\$ 512,089
Business-Type Activities	4.735%	<u>1,715,670</u>
Total		<u>\$ 2,227,759</u>

Equipment and related accumulated depreciation under capital lease are as follows:

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>
Equipment	\$ 568,448	\$ 2,438,012
Less: Accumulated depreciation	<u>-</u>	<u>( 304,921)</u>
Net Value	<u>\$ 568,448</u>	<u>\$ 2,133,091</u>

As of June 30, 2014, capital lease annual amortization is as follows:

<u>Year Ended June 30</u>	<u>Governmental Activities</u>	<u>Business-Type Activities</u>
2015	\$ 153,766	\$ 168,325
2016	153,766	168,325
2017	153,766	168,325
2018	89,697	168,325
2019	-	168,325
2020-2024	-	841,624
2025-2028	<u>-</u>	<u>673,300</u>
Total Requirements	550,995	2,356,549
Less Interest	<u>( 38,906)</u>	<u>( 640,879)</u>
Present Value of Remaining Payments	<u>\$ 512,089</u>	<u>\$ 1,715,670</u>



**CITY OF LINCOLN**  
**Notes to Basic Financial Statements**  
**For the Year Ended June 30, 2014**

**NOTE 9: POSTCLOSURE**

The City of Lincoln has postclosure responsibility for one landfill site. State and federal laws and regulations require the City to place a final cover over its closed landfill and perform certain maintenance and monitoring functions at the landfill site for thirty years following its closure. Closure procedures have been performed and postclosure activity is recorded in the Solid Waste enterprise fund. The estimated liability for postclosure care costs is estimated to be \$1,340,231 as of June 30, 2014. The estimate of post-closure care costs is based on the amount that would be paid if all equipment, facilities, and services required to monitor and maintain the landfill were acquired as of June 30, 2014. However, the actual costs may be higher due to inflation, changes in technology, or changes in landfill laws and regulations.

The City is required by state and federal laws and regulations to make annual contributions to finance postclosure care costs. The costs of these procedures is funded on a pay as you go basis. The City has not adopted a pledge of revenue to fund these costs. The estimated postclosure maintenance costs and any additional costs that might arise from changes in postclosure requirements (due to changes in technology or more rigorous environment regulations) may need to be covered by an increase in the rate of the franchise surcharge assessed against refuse collection fees.

**NOTE 10: NET POSITION**

The government-wide and proprietary fund financial statements utilize a net position presentation. Net position is categorized as net investment in capital assets, restricted, and unrestricted.

- **Net investment in capital assets** - Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes or other borrowings that are attributable to the acquisition, construction or improvement of those assets.
- **Restricted net position** - Consists of net position with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.
- **Unrestricted net position** - All other net position that does not meet the definition of “restricted” or “net investment in capital assets”.

**Net Position Restricted by Enabling Legislation**

The government-wide Statement of Net Position reports \$93,286,858 of restricted net position, of which \$20,374,193 is restricted by enabling legislation.

**Net Position Flow Assumption**

When a government funds outlays for a particular purpose from both restricted and unrestricted resources, a flow assumption must be made about the order in which the resources are considered to be applied. When both restricted and unrestricted net position is available, it is considered that restricted resources are used first, followed by the unrestricted resources.

**CITY OF LINCOLN**  
**Notes to Basic Financial Statements**  
**For the Year Ended June 30, 2014**

**NOTE 11: FUND BALANCES**

As prescribed by GASB Statement No. 54, governmental funds report fund balance in classifications based primarily on the extent to which the City is bound to honor constraints on the specific purposes for which amounts in the funds can be spent. As of June 30, 2014, fund balance for governmental funds are made up of the following:

- **Nonspendable fund balance** - amounts that cannot be spent because they are either (a) not in spendable form, or (b) legally or contractually required to be maintained intact. The “not in spendable form” criterion includes items that are not expected to be converted to cash, for example: inventories and prepaid amounts.
- **Restricted fund balance** - amounts with constraints placed on their use that are either (a) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislation. Restrictions may effectively be changed or lifted with consent of resource providers.
- **Committed fund balance** - amounts that can only be used for the specific purposes determined by formal action of the City’s highest level of decision-making authority. The City Council is the highest level of decision making authority for the City that can, by adoption of an ordinance commit fund balance. Once adopted, the limitation imposed remains in place until a similar action is taken to remove or revise the limitation. The underlying action that imposed the limitation needs to occur no later than the close of the reporting period.
- **Assigned fund balance** - amounts that are constrained by the City’s intent to be used for specific purposes. The intent can be established at either the highest level of decision-making, or by a body or an official designated for that purpose.
- **Unassigned fund balance** - the residual classification for the City’s General fund that includes all amounts not contained in the other classifications. In other funds, the unassigned classification is used only if expenditures incurred for specific purposes exceed the amounts restricted, committed, or assigned to those purposes.

**CITY OF LINCOLN**  
**Notes to Basic Financial Statements**  
**For the Year Ended June 30, 2014**

**NOTE 11: FUND BALANCES (CONTINUED)**

The fund balances for all major and nonmajor governmental funds as of June 30, 2014, were distributed as follows:

	General	Public Facility Element (PFE)	Water Connections	Other Govern- mental Funds	Total
<b>Nonspendable</b>					
Due from other agencies	\$ -	\$ -	\$ 4,105,046	\$ -	\$ 4,105,046
Due from other funds	-	-	17,343,399	-	17,343,399
Investment in JPA	136,582	-	-	51,298	187,880
Advances	-	3,352,000	673,242	2,000,000	6,025,242
Loans receivable	-	-	-	3,356,791	3,356,791
Endowment - nonspendable	-	-	-	356,659	356,659
Subtotal	<u>136,582</u>	<u>3,352,000</u>	<u>22,121,687</u>	<u>5,764,748</u>	<u>31,375,017</u>
<b>Restricted For:</b>					
Public facility improvements	-	8,357,001	-	-	8,357,001
Water capacity expansion	-	-	9,695,797	-	9,695,797
Public parks	-	-	-	1,295,938	1,295,938
Street and road projects	-	-	-	5,417,810	5,417,810
Traffic/street/transit improvements	-	-	-	163,353	163,353
Development services	-	-	-	24,140	24,140
Police services	-	-	-	798	798
State grants	-	-	-	248,050	248,050
Cal Home grants	-	-	-	180,965	180,965
Public improvements and maintenance	-	-	-	9,933,113	9,933,113
Public safety services	-	-	-	20,982	20,982
Oak tree replacement	-	-	-	1,464,207	1,464,207
Community development	-	-	-	1,417,858	1,417,858
Endowment - spendable	-	-	-	141,546	141,546
Capital projects	-	-	-	150,788	150,788
Debt service	-	-	-	3,479,860	3,479,860
Subtotal	<u>-</u>	<u>8,357,001</u>	<u>9,695,797</u>	<u>23,939,408</u>	<u>41,992,206</u>
<b>Committed to:</b>					
Catastrophic reserve	2,000,000	-	-	-	2,000,000
Economic reserve	1,644,564	-	-	-	1,644,564
Youth programs	<u>58,977</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>58,977</u>
Subtotal	<u>3,703,541</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,703,541</u>
<b>Assigned to:</b>					
Supplemental fees	-	-	-	2,791,207	2,791,207
Development services	-	-	-	2,858,826	2,858,826
Subtotal	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,650,033</u>	<u>5,650,033</u>
<b>Unassigned</b>	<u>3,819,021</u>	<u>( 20,800,237)</u>	<u>-</u>	<u>( 1,456,399)</u>	<u>( 18,437,615)</u>
Total	<u>\$ 7,659,144</u>	<u>(\$ 9,091,236)</u>	<u>\$ 31,817,484</u>	<u>\$33,897,790</u>	<u>\$64,283,182</u>

**CITY OF LINCOLN**  
**Notes to Basic Financial Statements**  
**For the Year Ended June 30, 2014**

**NOTE 11: FUND BALANCES (CONTINUED)**

**Fund Balance Flow Assumption**

When a government funds outlays for a particular purpose from both restricted and unrestricted resources (the total of committed, assigned, and unassigned fund balance), a flow assumption must be made about the order in which the resources are considered to be applied. When both restricted and unrestricted fund balance is available, it is considered that restricted fund balance is depleted before using any of the components of unrestricted fund balance. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

**Fund Balance Policy**

The City Council has adopted a fund balance policy for financial statement reporting for the General fund. The policy establishes procedures for reporting fund balance classifications, establishes prudent reserve requirements and establishes a hierarchy of fund balance expenditures. The policy also provides for the City to establish and maintain a minimum committed unrestricted fund balance (catastrophic reserve) in the General fund equal to \$2 million or two months of annual expenditures whichever is greater and a minimum committed unrestricted fund balance (economic reserve) in the General fund equal to 15% of annual expenditures.

**NOTE 12: EMPLOYEES' RETIREMENT PLAN**

**A. Plan Description**

The City contributes to the California Public Employees Retirement System (PERS), a cost-sharing multiple-employer public employee defined benefit pension plan. PERS provides retirement and disability benefits, annual cost of living adjustments, and death benefits to plan members and beneficiaries. PERS acts as a common investment and administrative agent for participating public entities within the State of California. Benefit provisions and all other requirements are established by statute. Copies of PERS' annual financial report may be obtained from their executive office – 400 Q Street, Lincoln Plaza East, Sacramento, CA 95811.

Effective January 1, 2013, the City added retirement tiers for the Miscellaneous Plan and for the Safety Fire Plan for new employees as required under the Public Employee Pension Reform Act (PEPRA). New employees hired on or after January 1, 2013 will be subject to new, lower pension formulas, caps on pensionable income levels and new definitions of pensionable income. In addition, new employees will be required to contribute half of the total normal cost of the pension benefit unless impaired by an existing Memorandum of Understanding.

**CITY OF LINCOLN**  
**Notes to Basic Financial Statements**  
**For the Year Ended June 30, 2014**

**NOTE 12: EMPLOYEES' RETIREMENT PLAN (CONTINUED)**

**B. Funding Policy**

For active plan members preceding PEPRA, Miscellaneous Plan members pay 8 percent of their annual covered salary while Safety Plan members pay 9 percent of their annual covered salary. For active plan members in PEPRA, Miscellaneous Plan members pay 6.25 percent of their annual covered salary, while Safety Plan members pay 11.50 percent of their annual covered salary. The City is required to contribute the actuarially determined remaining amounts necessary to fund the benefits for its members. The contribution requirements of the plan are established by State statute and the employer contribution rate is established by PERS. Both the Miscellaneous and Safety Plans include a cost-sharing agreement which determines whether a portion of the member's contribution is paid by the City, or whether a portion of the employer's contribution is paid by the member. Results of the cost-sharing agreement are as follows:

	Member Share		City Share		Total	
	Member	City	Member	City	Member	City
<b>Miscellaneous</b>						
Classic First Tier	8.000%	0.000%	0.000%	20.287%	8.000%	20.287%
Classic Second Tier	8.000%	0.000%	0.000%	8.049%	8.000%	8.049%
PEPRA						
No MOU	6.250%	0.000%	0.000%	6.250%	6.250%	6.250%
<b>Safety Police</b>						
Classic	9.000%	0.000%	0.000%	27.590%	9.000%	27.590%
<b>Safety Fire</b>						
Classic	9.000%	0.000%	0.000%	27.590%	9.000%	27.590%
PEPRA						
No MOU	11.500%	0.000%	0.000%	11.500%	11.500%	11.500%

The City's contributions for the years ending June 30, 2014, 2013, and 2012 were \$2,037,365, \$1,938,854, and \$1,937,428, which equaled the required contributions each year.

**NOTE 13: OTHER POSTEMPLOYMENT BENEFITS (OPEB)**

**A. Plan Description**

The City administers a single employer defined benefit other postemployment healthcare (OPEB) plan providing health plan coverage to eligible retired employees and their eligible dependents. The City maintains the same medical plans for its retirees as for its active employees. All regular City employees hired prior to January 1, 1998 are entitled to 100% medical coverage, paid by the City, upon retirement from the City and from CalPERS. Employees hired after January 1, 1998 are eligible for retiree medical health benefits as defined in the California Public Employees Retirement Law, tiered system. The tiered system requires that an employee be vested (5 years at the City of Lincoln) and have a minimum total of 10 years of service in a CalPERS agency, be 50 years of age and retire out of CalPERS within 120 days of retiring from the City. The amount the City pays for their medical health benefit is dependent upon their years of credited service at retirement. On July 10, 2012, the Council adopted a resolution authorizing the City Manager to establish a Futuris Public Entity Investment Trust and a Retirement Board of Authority (BOA). The BOA is made up of the City Manager, the Assistant City Manager/Chief Financial Officer and the members of the City of Lincoln Finance Committee. The BOA has delegated authority of the newly created OPEB trust to Benefit Trust Company (BTC) per the Futuris Trust Administrative Services Agreement.

**CITY OF LINCOLN**  
**Notes to Basic Financial Statements**  
**For the Year Ended June 30, 2014**

**NOTE 13: OTHER POSTEMPLOYMENT BENEFITS (OPEB) (CONTINUED)**

**A. Plan Description (Continued)**

Upon signing the agreement, BTC has been deemed to have accepted the Trust and during the term of this agreement, BTC further agreed to serve as a discretionary trustee, with fiduciary oversight and authority over the operations and management of the Trust.

**B. Funding Policy**

The contribution requirements of plan members and the City are established and may be amended by the City Council. The required contribution is based on projected pay-as-you-go financing requirements. For the year ended June 30, 2014, the City contributed \$395,118 to the plan, which represents 100% of the cost of current year premiums for eligible retired plan members and their spouses.

**C. Annual OPEB Cost and Net OPEB Obligation**

The City's annual other postemployment benefits (OPEB) cost is calculated based on the annual required contribution (ARC) an amount actuarially determined in accordance with the parameters of GASB Statement No. 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year. The City elected to prepay the unfunded actuarial liability.

The following table shows the components of the City's annual OPEB cost for the year, the amount actually contributed to the plan, and changes in the City's net OPEB obligation to the Retiree Health Plan.

Annual required contribution	\$ 1,132,563
Interest on net OPEB Obligation	235,678
Adjustment to Annual Required Contribution	( 271,320)
Annual OPEB Cost	1,096,921
Contributions made:	
Pay as you go contribution	( 395,118)
Increase (decrease) in Net OPEB Obligation	701,803
Net OPEB Obligation (Asset) Beginning	<u>3,366,824</u>
Net OPEB Obligation (Asset) Ending	<u>\$ 4,068,627</u>

The City's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for the current and prior two years are as follows:

Fiscal Year Ended	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
June 30, 2012	\$ 1,550,548	22.7%	\$ 3,680,585
June 30, 2013	1,532,519	120.5%	3,366,824
June 30, 2014	1,096,921	36.0%	4,068,627

**CITY OF LINCOLN**  
**Notes to Basic Financial Statements**  
**For the Year Ended June 30, 2014**

**NOTE 13: OTHER POSTEMPLOYMENT BENEFITS (OPEB) (CONTINUED)**

**D. Funded Status and Funding Progress**

As of July 1, 2013, the most recent actuarial valuation date, the plan was 15.4 percent funded. The actuarial accrued liability was \$10,094,244 and the actuarial value of assets was \$1,557,827, resulting in an unfunded actuarial accrued liability (UAAL) of \$8,536,417. The covered payroll (annual payroll of employees covered by the plan) was \$9,801,620, and the ratio of the UAAL to the covered payroll was 87.1 percent.

Actuarial valuations of an ongoing plan involve estimates of the value of the reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the Annual Required Contributions of the City are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The Schedule of Funding Progress, presented as required supplementary information following the notes to the financial statements, presents multi-year trend information (as it becomes available) that shows whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

**E. Actuarial Methods and Assumptions**

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and the plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations. In the July 1, 2013 actuarial valuation, the projected unit credit actuarial method was used. The actuarial assumptions included a 5 percent investment rate of return (net of administrative expenses). The annual healthcare-cost trend rates range from 7 percent in 2013 to 5 percent in 2014 and future years. The assumptions also include a 5 percent discount rate. The UAAL is being amortized as a level percentage of projected payroll on a closed basis. The remaining amortization period at June 30, 2014 was 29 years.

**NOTE 14: ENDOWMENTS**

The City's permanent funds account for the financial activities and balances of donor-restricted endowments for open space and wetland preservation and maintenance. Interest earned on the funds may be used pursuant to California Government Code for purposes that meet the criteria of the endowments. It is the City's policy for the City Council to authorize all approved expenditures according to the trust. At June 30, 2014, the nonspendable amount was \$356,659 and the spendable amount was \$141,546.

**NOTE 15: RISK MANAGEMENT**

The City is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disaster.

**CITY OF LINCOLN**  
**Notes to Basic Financial Statements**  
**For the Year Ended June 30, 2014**

**NOTE 15: RISK MANAGEMENT (CONTINUED)**

There is no claims liability to be reported based on the requirements of Governmental Accounting Standards Board Statement No. 10, which requires that a liability for claims be reported if information prior to the issuance of the financial statements indicates that it is probable that a liability has been incurred at the date of the financial statements and the amount for the loss can be reasonably estimated.

There were no significant reductions in insurance coverage from prior years and there have been no settlements exceeding the insurance coverage for each of the past three fiscal years.

The City is a member of Northern California Cities Self-Insurance Fund (NCCSIF), a joint powers agency which provides the City with a shared risk layer of coverage above the self-insured retention amount for liability and workers' compensation. The City pays an annual premium to NCCSIF for its insurance coverage.

General Liability Coverage: Annual deposits are paid by member cities and are adjusted retrospectively to cover costs. Each member city, including Lincoln, self-insures for the first \$50,000 of each loss. Participating cities share in loss occurrences in excess of \$50,000 up to a maximum of \$500,000. Premiums accrue based on the ultimate cost of the experience of the group of Cities. Coverage in excess of \$500,000 is provided through the California Joint Powers Insurance Risk Management Authority, a joint powers authority organized to provide excess coverage for its members.

Workers' Compensation Coverage: Annual deposits are paid by member cities and are adjusted retrospectively to cover costs. The City self-insured for the first \$100,000 of each loss and has purchased excess coverage with limits of \$5,000,000 per occurrence.

NCCSIF is a joint powers agency organized in accordance with Article 1, Chapter 5, Division 7, Title 1 of the California Government Fund Programs. The purpose is to create a common pool of funds to be used to meet obligations of the parties to provide workers' compensation benefits for their employees and to provide excess liability insurance. The Authority provides claims processing administrative services, risk management services, and actuarial studies. It is governed by a member from each city. The City of Lincoln council members do not have significant oversight responsibility, since they evenly share all factors of responsibility with the other cities. However, ultimate liability for payment of claims and insurance premiums resides with member cities. The Authority is empowered to make supplemental assessments as needed to eliminate deficit positions of member cities. If the JPA becomes insolvent, the City is responsible only to the extent of any deficiency in its equity balance.

Upon termination of the JPA agreement, all property of the Authority will vest in the respective parties which theretofore transferred, conveyed or leased said property to the Authority. Any surplus of funds will be returned to the parties in proportion to actual balances of each equity.

The Authority establishes claims liabilities based on estimates of the ultimate cost of claims (including future claims settlement expenses) that have been reported but not settled, plus estimates of claims that have been incurred but not reported. Because actual claims costs depend on various factors, the claims liabilities are recomputed periodically using a variety of actuarial and statistical techniques to produce current estimates that reflect recent settlements, claim frequency, and other economic and social factors. A provision of inflation is implicit in the calculation of estimated future claims costs. Adjustments to claims liabilities are charged or credited to expense in the periods in which they are made.



**CITY OF LINCOLN**  
**Notes to Basic Financial Statements**  
**For the Year Ended June 30, 2014**

**NOTE 15: RISK MANAGEMENT (CONTINUED)**

The participants as of June 30, 2014 were as follows:

- |             |               |
|-------------|---------------|
| • Anderson  | • Lincoln     |
| • Auburn    | • Marysville  |
| • Colusa    | • Nevada City |
| • Corning   | • Oroville    |
| • Dixon     | • Paradise    |
| • Elk Grove | • Placerville |
| • Folsom    | • Red Bluff   |
| • Galt      | • Rio Vista   |
| • Gridley   | • Rocklin     |
| • Ione      | • Willows     |
| • Jackson   | • Yuba City   |

The City's investment in the NCCSIF of \$247,954 is recorded in the funds as Investment in JPA. The net change is shown as an income or expenditure/expense item in the funds.

**NOTE 16: OTHER INFORMATION**

**A. Commitments and Contingencies**

At June 30, 2014, the City had construction contracts outstanding of approximately \$6,854,672.

Amounts received or receivable from grant agencies are subject to audit and adjustment by grantor agencies. Any disallowed claims, including amounts already collected, may constitute a liability of the appreciable funds. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time although the government expects such amounts, if any, to be immaterial.

**B. Successor Agency Trust for Assets of Former Redevelopment Agency**

In accordance with Assembly Bill 1X26 and Assembly Bill 1434, all redevelopment agencies in the State of California were dissolved and ceased to operate as legal entities as of February 1, 2012. The activity of the Successor Agency Trust for assets of the Former Redevelopment Agency (Successor Agency) is recorded in private purpose trust funds.

Adjustments resulting from errors or a change to comply with provisions of the accounting standards are treated as adjustments to prior periods. Accordingly, the Successor Agency reports these changes as restatements of beginning net position. During the current year prior period adjustments were made to correct a prior year interfund loan interest expense.

The impact of the restatement on the net position of the private-purpose trust fund financial statements as previously reported is presented below:

Net Position, June 30, 2013, as previously reported	(\$ 342,353)
Adjustment associated with:	
Correction of interfund loan interest expense	<u>127,101</u>
Total Adjustments	<u>127,101</u>
Net Position, July 1, 2013, as restated	<u><u>(\$ 215,252)</u></u>

**CITY OF LINCOLN**  
**Notes to Basic Financial Statements**  
**For the Year Ended June 30, 2014**

**NOTE 16: OTHER INFORMATION (CONTINUED)**

**B. Successor Agency Trust for Assets of Former Redevelopment Agency (Continued)**

Management believes, in consultation with legal counsel, that the obligations of the former redevelopment agency due to the City are valid enforceable obligations payable by the successor agency trust under the requirements of the Bill. The City's position on this issue is not a position of settled law and there is considerable legal uncertainty regarding this issue. It is reasonable possible that a legal determination may be made at a later date by an appropriate judicial authority that would resolve this issue unfavorably the City. Amounts owed to the City are included in Due from Other Agencies and consist of \$4,105,046 due to the Water Connections fund, and \$239,186 due to the Wastewater Operations fund.

Capital assets activity for the year ended June 30, 2014, was as follows:

	Balance July 1, 2013	Additions	Retirements	Balance June 30, 2014
Capital Assets, Not Being Depreciated				
Land	\$ 2,837,713	\$ -	\$ -	\$ 2,837,713
Total Capital Assets, Not Being Depreciated	<u>2,837,713</u>	<u>-</u>	<u>-</u>	<u>2,837,713</u>
Capital Assets, Being Depreciated				
Buildings	179,708	-	-	179,708
Land improvements	<u>1,554,047</u>	<u>-</u>	<u>-</u>	<u>1,554,047</u>
Total Capital Assets, Being Depreciated	<u>1,733,755</u>	<u>-</u>	<u>-</u>	<u>1,733,755</u>
Less Accumulated Depreciation for:				
Buildings	( 23,584)	( 4,493)	-	( 28,077)
Land improvements	<u>( 355,530)</u>	<u>( 77,702)</u>	<u>-</u>	<u>( 433,232)</u>
Total Accumulated Depreciation	<u>( 379,114)</u>	<u>( 82,195)</u>	<u>-</u>	<u>( 461,309)</u>
Total Capital Assets, Being Depreciated, Net	<u>1,354,641</u>	<u>( 82,195)</u>	<u>-</u>	<u>1,272,446</u>
Capital Assets, Net	<u>\$ 4,192,354</u>	<u>(\$ 82,195)</u>	<u>\$ -</u>	<u>\$ 4,110,159</u>

The following is a summary of changes in long-term liabilities for the year ended June 30, 2014:

Type of Indebtedness	Balance July 1, 2013	Additions	Retirements	Balance June 30, 2014	Amounts Due Within One Year
Bonds	\$12,020,000	\$ -	(\$ 580,000)	\$ 11,440,000	\$ 610,000
Less: Discount	<u>( 38,144)</u>	<u>-</u>	<u>5,077</u>	<u>( 33,067)</u>	<u>( 5,076)</u>
Total	<u>\$11,981,856</u>	<u>\$ -</u>	<u>(\$ 574,923)</u>	<u>\$ 11,406,933</u>	<u>\$ 604,924</u>

**CITY OF LINCOLN**  
**Notes to Basic Financial Statements**  
**For the Year Ended June 30, 2014**

**NOTE 16: OTHER INFORMATION (CONTINUED)**

**B. Successor Agency Trust for Assets of Former Redevelopment Agency (Continued)**

Individual issues of debt payable outstanding at June 30, 2014, are as follows:

**Bonds:**

Lincoln Public Financing Authority Revenue Refunding Bonds Series 2000 issued December 2000 in the total amount of \$12,275,000, of which \$5,625,000 is considered a liability of the former Redevelopment Agency and is payable in annual installments of \$235,000 to \$580,000, with an interest rate of 4.25% to 5.90% and maturity on September 15, 2017. The bonds were used to refund the 1989 Refunding Revenue Bonds and the Lincoln Public Financing Authority Revenue Bonds Series 1994. \$ 1,065,000

Lincoln Public Financing Authority Tax Allocation Revenue Bonds Series 2004A, issued October 20, 2004 in the amount of \$8,720,000 and payable in annual installments of \$305,000 to \$925,000, with an interest rate of 3.50% to 4.80% and maturity on September 15, 2026. The bonds were used to finance redevelopment activities. 8,415,000

Lincoln Public Financing Authority Housing Set Aside Tax Allocation Revenue Bonds Series 2004B (Taxable), issued October 20, 2004 in the amount of \$2,370,000 and payable in annual installments of \$35,000 to \$160,000, with an interest rate of 5.00% to 5.70% and maturity on September 15, 2033. The bonds were used to finance low and moderate income housing activities. 1,960,000

Total Bonds \$ 11,440,000

Following is a schedule of debt payment requirements to maturity for long-term debt:

Year Ended June 30	Bonds		
	Principal	Interest	Total
2015	\$ 610,000	\$ 548,420	\$ 1,158,420
2016	640,000	515,414	1,155,414
2017	675,000	479,745	1,154,745
2018	710,000	441,460	1,151,460
2019	750,000	405,500	1,155,500
2020-2024	4,285,000	1,478,640	5,763,640
2025-2029	3,060,000	455,933	3,515,933
2030-2034	<u>710,000</u>	<u>106,020</u>	<u>816,020</u>
Total	<u><u>\$ 11,440,000</u></u>	<u><u>\$ 4,431,132</u></u>	<u><u>\$ 15,871,132</u></u>

**C. Landfill Corrective Action**

On June 2, 2014, the Central Valley Regional Water Quality Control Board issued a Cleanup and Abatement Order requiring the City to implement a corrective action to address ground water impacts and lack of separation between high ground water and the waste placed within the landfill. The City is required to complete the corrective action by October 15, 2015. The estimated cost for the correction is expected to be \$4,000,000.

**CITY OF LINCOLN**  
**Notes to Basic Financial Statements**  
**For the Year Ended June 30, 2014**

**NOTE 16: OTHER INFORMATION (CONTINUED)**

**D. Subsequent Events**

Management has evaluated events subsequent to June 30, 2014 through February 19, 2015 the date on which the financial statements were available for issuance. Management has determined no subsequent events requiring disclosure have occurred.

**NOTE 17: SPECIAL ASSESSMENT DEBT WITH NO CITY COMMITMENT**

The City reports the debt service transactions of various special assessment issues for which the City is not obligated in any manner, in Agency funds. The debt will be paid from and secured solely by the revenues of these special assessment districts and does not constitute an indebtedness of the City. At June 30, 2014, the principal amount of special assessment debt outstanding for which the City is not obligated was as follows:

<u>Assessment Debt</u>	<u>Project Description</u>	<u>Original Amount</u>	<u>Outstanding June 30, 2014</u>
Special Tax Bonds, Series 1998 Lincoln Airpark 98-1	Lincoln Airpark	\$ 3,380,000	\$ 1,925,000
Refunding Bond, Series 2011A Twelve Bridges Series 204	Twelve Bridges	28,305,000	24,960,000
Refunding Bond, Series 2011B Twelve Bridges Series 204	Twelve Bridges	13,495,000	11,973,000
Limited Obligation Improv. Bond Foskett Ranch Series 2004-3	Foskett Ranch	6,000,000	3,735,000
Special Tax Bonds, Series 2006 Lakeside CFO Series 2006-1	Lakeside	7,310,000	7,025,000
Special Tax Revenue Bonds 2007 Special Tax Revenue Bond 2007 A&B	Lincoln Crossing	102,870,000	94,827,900
Special Tax Revenue Bonds, Series 2009 CFD Sorrento Series 2009	Sorrento Project	2,190,000	2,125,000
Special Tax Revenue Bonds, Series 2013 Lakeside Series 2013	Lakeside	4,830,000	4,830,000
Special Tax Revenue Bonds, Series 2013 CFD Sorrento Series 2013	Sorrento Project	5,165,000	5,165,000

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**Required Supplementary Information  
(Unaudited)**

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**CITY OF LINCOLN**  
**Required Supplementary Information**  
**For the Year Ended June 30, 2014**

**1. SCHEDULE OF FUNDING PROGRESS - OTHER POSTEMPLOYMENT BENEFITS**

The Schedule of Funding Progress - Other Postemployment Benefits provides a consolidated snapshot of the City's ability to meet current and future liabilities with the plan assets. Of particular interest to most is the funded status ratio. This ratio conveys a plan's level of assets to liabilities, an important indicator to determine the financial health of the OPEB plan. The closer the plan is to a 100% funded status, the better position it will be in to meet all of its future liabilities.

The table below shows a three year analysis of the actuarial value of assets as a percentage of the actuarial accrued liability and the unfunded actuarial accrued liability as a percentage of the annual covered payroll for the City Other Postemployment Benefit Plan.

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL)- Simplified Entry Age ( b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage Of Covered Payroll ((b-a)/c)
July 1, 2009	\$ -	\$ 8,551,351	\$ 8,551,351	0.0%	\$13,098,294	65.3%
July 1, 2011	-	12,518,361	12,518,361	0.0%	10,673,967	117.3%
July 1, 2013	1,557,827	10,094,244	8,536,417	15.4%	9,801,620	87.1%

**CITY OF LINCOLN**  
**Required Supplementary Information**  
**Budgetary Comparison Schedule**  
**General Fund**  
**For the Year Ended June 30, 2014**

	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual Amounts (Budgetary Basis)</b>	<b>Variance With Final Budget Positive (Negative)</b>
<b>REVENUES</b>				
Taxes	\$ 10,626,139	\$ 10,626,139	\$ 10,665,149	\$ 39,010
Licenses and permits	315,000	315,000	505,787	190,787
Fines and forfeitures	98,000	98,000	47,909	(50,091)
Use of money and property	114,400	100,000	150,099	50,099
Intergovernmental	187,000	195,595	42,143	(153,452)
Charges for services	998,008	1,230,793	2,589,345	1,358,552
Other revenues	415,282	584,680	327,147	(257,533)
<b>Total Revenues</b>	<b>12,753,829</b>	<b>13,150,207</b>	<b>14,327,579</b>	<b>1,177,372</b>
<b>EXPENDITURES</b>				
Current:				
General government:				
Administration allocation	-	93,386	1,436,783	(1,343,397)
City council	133,804	133,804	130,652	3,152
City treasurer	648	648	648	-
City attorney	140,000	140,000	132,080	7,920
Human resources	2,260	2,260	2,260	-
Economic development	320,822	320,822	274,922	45,900
Finance	296,280	296,280	289,732	6,548
<b>Total General Government</b>	<b>893,814</b>	<b>987,200</b>	<b>2,267,077</b>	<b>(1,279,877)</b>
Public safety:				
Fire administration	46,186	46,186	44,430	1,756
Fire operations	3,410,146	3,519,604	3,420,138	99,466
Police support services	1,153,810	1,123,810	1,023,741	100,069
Police operations	3,471,035	3,501,035	3,526,922	(25,887)
<b>Total Public Safety</b>	<b>8,081,177</b>	<b>8,190,635</b>	<b>8,015,231</b>	<b>175,404</b>
Public works and facilities:				
Parks	241,700	279,693	238,101	41,592
Facilities maintenance	87,856	87,856	87,914	(58)
<b>Total Public Works and Facilities</b>	<b>329,556</b>	<b>367,549</b>	<b>326,015</b>	<b>41,534</b>
Culture and recreation:				
Recreation administration	227,579	227,579	197,921	29,658
Adult sports	61,180	61,180	52,942	8,238
Youth sports	137,121	137,121	137,629	(508)
Community classes/facility rental	183,462	186,058	180,758	5,300
Aquatic programs	68,947	68,947	65,393	3,554
<b>Total Culture and Recreation</b>	<b>678,289</b>	<b>680,885</b>	<b>634,643</b>	<b>46,242</b>

Continued (Page 1 of 2)



**CITY OF LINCOLN**  
**Required Supplementary Information**  
**Budgetary Comparison Schedule**  
**General Fund**  
**For the Year Ended June 30, 2014**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts (Budgetary Basis)</u>	<u>Variance With Final Budget Positive (Negative)</u>
<b>EXPENDITURES</b>				
Current:				
Urban redevelopment and housing:				
Development services administration	22,382	22,382	31,055	(8,673)
Planning	364,229	359,229	301,313	57,916
Building	229,915	204,914	178,569	26,345
<b>Total Urban Redevelopment and Housing</b>	<u>616,526</u>	<u>586,525</u>	<u>510,937</u>	<u>75,588</u>
Education:				
Twelve bridges library	364,398	390,398	384,156	6,242
<b>Total Education</b>	<u>364,398</u>	<u>390,398</u>	<u>384,156</u>	<u>6,242</u>
<b>Total Expenditures</b>	<u>10,963,760</u>	<u>11,203,192</u>	<u>12,138,059</u>	<u>(934,867)</u>
<b>Excess of Revenues Over (Under) Expenditures</b>	<u>1,790,069</u>	<u>1,947,015</u>	<u>2,189,520</u>	<u>242,505</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	316,273	316,273	362,429	46,156
Transfers out	(2,093,591)	(2,958,333)	(1,927,851)	1,030,482
<b>Total Other Financing Sources (Uses)</b>	<u>(1,777,318)</u>	<u>(2,642,060)</u>	<u>(1,565,422)</u>	<u>1,076,638</u>
<b>Net Change in Fund Balance</b>	<u>12,751</u>	<u>(695,045)</u>	<u>624,098</u>	<u>1,319,143</u>
<b>Fund Balance - Beginning</b>	<u>6,378,966</u>	<u>6,378,966</u>	<u>6,378,966</u>	<u>-</u>
<b>Fund Balance - Ending</b>	<u>\$ 6,391,717</u>	<u>\$ 5,683,921</u>	<u>\$ 7,003,064</u>	<u>\$ 1,319,143</u>

**Reconciliation of Net Changes in Fund Balances - Budgetary to GAAP Basis:**

Total Expenditures - Budgetary Basis	\$ 12,138,059
Capital outlay and debt service expenditures were not budgeted for by the City	<u>639,735</u>
Total Expenditures - Statement of Revenues, Expenditures, and Changes in Fund Balances	<u>\$ 12,777,794</u>
Total Other Financing Sources (Uses) - Budgetary Basis	\$ (1,565,422)
Proceeds from the sale of capital assets and debt proceeds were not budgeted for by the City	<u>1,295,815</u>
Total Other Financing Sources (Uses) - Statement of Revenues, Expenditures, and Changes in Fund Balances	<u>\$ (269,607)</u>

Continued (Page 2 of 2)

**CITY OF LINCOLN**  
**Required Supplementary Information**  
**Budgetary Comparison Schedule**  
**Public Facility Element (PFE) - Major Special Revenue Fund**  
**For the Year Ended June 30, 2014**

	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual Amounts (Budgetary Basis)</b>	<b>Variance With Final Budget Positive (Negative)</b>
<b>REVENUES</b>				
Use of money and property	\$ 115,524	\$ 115,524	\$ 118,015	\$ 2,491
Charges for services	1,902,089	1,902,089	3,069,364	1,167,275
<b>Total Revenues</b>	<u>2,017,613</u>	<u>2,017,613</u>	<u>3,187,379</u>	<u>1,169,766</u>
<b>EXPENDITURES</b>				
Current:				
Public works and facilities	1,635	1,635	1,643	(8)
Culture and recreation	-	-	11,546	(11,546)
Education	-	33,155	174,584	(141,429)
Debt service:				
Interest and other charges	30,262	30,262	48,205	(17,943)
<b>Total Expenditures</b>	<u>31,897</u>	<u>65,052</u>	<u>235,978</u>	<u>(170,926)</u>
<b>Excess of Revenues Over (Under) Expenditures</b>	<u>1,985,716</u>	<u>1,952,561</u>	<u>2,951,401</u>	<u>998,840</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	-	5,311,721	5,311,721	-
Transfers out	(399,937)	(399,937)	(449,935)	(49,998)
<b>Total Other Financing Sources (Uses)</b>	<u>(399,937)</u>	<u>4,911,784</u>	<u>4,861,786</u>	<u>(49,998)</u>
<b>Net Change in Fund Balance</b>	<u>1,585,779</u>	<u>6,864,345</u>	<u>7,813,187</u>	<u>948,842</u>
<b>Fund Balance (Deficit) - Beginning</b>	<u>(16,670,423)</u>	<u>(16,670,423)</u>	<u>(16,670,423)</u>	<u>-</u>
Prior period adjustment	-	-	(234,000)	(234,000)
<b>Fund Balance (Deficit) - Beginning, Restated</b>	<u>(16,670,423)</u>	<u>(16,670,423)</u>	<u>(16,904,423)</u>	<u>(234,000)</u>
<b>Fund Balance (Deficit) - Ending</b>	<u><u>\$(15,084,644)</u></u>	<u><u>\$ (9,806,078)</u></u>	<u><u>\$ (9,091,236)</u></u>	<u><u>\$ 714,842</u></u>

**CITY OF LINCOLN**  
**Required Supplementary Information**  
**Budgetary Comparison Schedule**  
**Water Connections - Major Special Revenue Fund**  
**For the Year Ended June 30, 2014**

	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual Amounts (Budgetary Basis)</b>	<b>Variance With Final Budget Positive (Negative)</b>
<b>REVENUES</b>				
Use of money and property	\$ 321,042	\$ 321,042	\$ 360,913	\$ 39,871
Intergovernmental	-	300,000	-	(300,000)
Charges for services	2,669,597	2,669,597	3,876,344	1,206,747
<b>Total Revenues</b>	<u>2,990,639</u>	<u>3,290,639</u>	<u>4,237,257</u>	<u>946,618</u>
<b>EXPENDITURES</b>				
Capital outlay	-	300,000	38,249	261,751
<b>Total Expenditures</b>	<u>-</u>	<u>300,000</u>	<u>38,249</u>	<u>261,751</u>
<b>Excess of Revenues Over (Under) Expenditures</b>	<u>2,990,639</u>	<u>2,990,639</u>	<u>4,199,008</u>	<u>1,208,369</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers out	-	-	(73,963)	(73,963)
<b>Total Other Financing Sources (Uses)</b>	<u>-</u>	<u>-</u>	<u>(73,963)</u>	<u>(73,963)</u>
<b>Net Change in Fund Balance</b>	<u>2,990,639</u>	<u>2,990,639</u>	<u>4,125,045</u>	<u>1,134,406</u>
<b>Fund Balance - Beginning</b>	27,819,540	27,819,540	27,819,540	-
Prior period adjustment	-	-	(127,101)	(127,101)
<b>Fund Balance - Beginning, Restated</b>	<u>27,819,540</u>	<u>27,819,540</u>	<u>27,692,439</u>	<u>(127,101)</u>
<b>Fund Balance - Ending</b>	<u>\$ 30,810,179</u>	<u>\$ 30,810,179</u>	<u>\$ 31,817,484</u>	<u>\$ 1,007,305</u>

**CITY OF LINCOLN**  
**Required Supplementary Information**  
**Notes to Budgetary Comparison Schedules**  
**For the Year Ended June 30, 2014**

**I. BUDGETARY BASIS OF ACCOUNTING**

Formal budgetary integration is employed as a management control device during the year for the General fund, and special revenue funds, and is controlled at the department level for the City. Budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP). The City has not formally adopted a budget for revenues and expenditures in the debt service and capital project funds.

The following procedures are performed by the City in establishing the budgetary data reflected in the financial statements:

- (1) In May of each year the Finance Department is to submit to the City Council a recommended operating budget for the fiscal year commencing the following July 1. The operating budget includes recommended expenditures and the means of financing them.

Public hearings are to be conducted at City Hall to obtain taxpayer comments. Generally by the first of July, after adjustment as appropriate by the City Council, the budget is to be legally enacted through council motion.

- (2) Council approval is required for transfers between funds, or for an increase in total appropriations. Therefore, the level of budgetary responsibility is by total appropriations; however, for report purposes, this level has been expanded to a functional basis (General Government, Public Safety, etc.).
- (3) Formal budgetary integration is employed as a management control device during the year for the General fund and special revenue funds. Budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP). Accordingly, actual revenues and expenditures can be compared with related budgeted amounts without any significant adjustments.
- (4) All unused appropriations for budgeted amounts lapse at the end of the year.
- (5) Individual fund budgetary comparisons are not presented at the detail budget unit level due to their excessive length. A separate document presenting this information is available.

The City does not use encumbrance accounting under which purchase orders, contracts, and other commitments for the expenditure of monies are recorded in order to reserve that portion of the applicable appropriation.

**CITY OF LINCOLN**  
**Required Supplementary Information**  
**Notes to Budgetary Comparison Schedules**  
**For the Year Ended June 30, 2014**

**II. EXPENDITURES IN EXCESS OF APPROPRIATIONS**

The following General fund departments had an excess of expenditures over appropriations at the legal level of budgetary control as follows:

	<u>Appropriations</u>	<u>Expenditures</u>	Excess of Expenditures Over <u>Appropriations</u>
Administration allocation	\$ 93,386	\$ 1,436,783	\$ 1,343,397
Police operations	3,501,035	3,526,922	25,887
Facilities maintenance	87,856	87,914	58
Youth sports	137,121	137,629	508
Development services administration	22,382	31,055	8,673

The following major special revenue fund incurred expenditures in excess of appropriations as follows:

	<u>Appropriations</u>	<u>Expenditures</u>	Excess of Expenditures Over <u>Appropriations</u>
Public Facility Element (PFE)	\$ 65,052	\$ 235,978	\$ 170,926

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**Combining and Individual Fund  
Statements and Schedules**

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## **Nonmajor Governmental Funds**

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**CITY OF LINCOLN**  
**Combining Balance Sheet**  
**Nonmajor Governmental Funds**  
**June 30, 2014**

	<b>Special Revenue Funds</b>	<b>Debt Service Funds</b>	<b>Capital Projects Funds</b>	<b>Permanent Funds</b>	<b>Totals</b>
<b>ASSETS</b>					
Cash and investments	\$ 28,586,456	\$ 1,459,886	\$ 150,785	\$ 482,179	\$ 30,679,306
Receivables:					
Accounts	4,660	-	-	-	4,660
Interest	145,273	34	3	10	145,320
Taxes	5,744	-	-	-	5,744
Intergovernmental	1,421,091	-	-	-	1,421,091
Due from other funds	314,074	-	-	-	314,074
Investment in JPA	51,298	-	-	-	51,298
Advances to other funds	2,000,000	-	-	-	2,000,000
Restricted cash and investments	498,615	2,019,954	-	16,255	2,534,824
Loans receivable	3,356,791	-	-	-	3,356,791
<b>Total Assets</b>	<b>\$ 36,384,002</b>	<b>\$ 3,479,874</b>	<b>\$ 150,788</b>	<b>\$ 498,444</b>	<b>\$ 40,513,108</b>
<b>LIABILITIES</b>					
Accounts payable	\$ 1,992,606	\$ -	\$ -	\$ 239	\$ 1,992,845
Accrued salaries and benefits	47,097	-	-	-	47,097
Other accrued liabilities	4,569	-	-	-	4,569
Insurance payable	332	-	-	-	332
Retention payable	71,036	-	-	-	71,036
Deposits payable	936,439	-	-	-	936,439
Due to other funds	751,959	14	-	-	751,973
Unearned revenue	1,628,927	-	-	-	1,628,927
<b>Total Liabilities</b>	<b>5,432,965</b>	<b>14</b>	<b>-</b>	<b>239</b>	<b>5,433,218</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Unavailable revenue	1,182,100	-	-	-	1,182,100
<b>Total Deferred Inflows of Resources</b>	<b>1,182,100</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,182,100</b>
<b>FUND BALANCES</b>					
Nonspendable	5,408,089	-	-	356,659	5,764,748
Restricted	20,167,214	3,479,860	150,788	141,546	23,939,408
Assigned	5,650,033	-	-	-	5,650,033
Unassigned	(1,456,399)	-	-	-	(1,456,399)
<b>Total Fund Balances</b>	<b>29,768,937</b>	<b>3,479,860</b>	<b>150,788</b>	<b>498,205</b>	<b>33,897,790</b>
<b>Total Liabilities, Deferred Inflows of Resources, and Fund Balances</b>	<b>\$ 36,384,002</b>	<b>\$ 3,479,874</b>	<b>\$ 150,788</b>	<b>\$ 498,444</b>	<b>\$ 40,513,108</b>

**CITY OF LINCOLN**  
**Combining Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**Nonmajor Governmental Funds**  
**For the Year Ended June 30, 2014**

	<b>Special Revenue Funds</b>	<b>Debt Service Funds</b>	<b>Capital Projects Funds</b>	<b>Permanent Funds</b>	<b>Totals</b>
<b>REVENUES</b>					
Special assessments	\$ 2,827,246	\$ -	\$ -	\$ -	\$ 2,827,246
Licenses and permits	1,060,031	-	-	-	1,060,031
Fines and forfeitures	600	-	-	-	600
Use of money and property	539,063	21,652	2,237	5,078	568,030
Intergovernmental	3,484,734	-	-	-	3,484,734
Charges for services	1,252,281	-	-	-	1,252,281
Other revenues	7,999	66,281	-	-	74,280
<b>Total Revenues</b>	<u>9,171,954</u>	<u>87,933</u>	<u>2,237</u>	<u>5,078</u>	<u>9,267,202</u>
<b>EXPENDITURES</b>					
Current:					
General government	49,240	4,884	-	-	54,124
Public safety	101,326	-	-	-	101,326
Public works and facilities	4,478,198	13,930	-	-	4,492,128
Urban redevelopment and housing	1,818	-	-	-	1,818
Debt service:					
Principal	-	715,000	-	-	715,000
Interest and other charges	-	1,034,682	-	-	1,034,682
Capital outlay	3,054,773	-	373,073	-	3,427,846
<b>Total Expenditures</b>	<u>7,685,355</u>	<u>1,768,496</u>	<u>373,073</u>	<u>-</u>	<u>9,826,924</u>
<b>Excess of Revenues Over (Under) Expenditures</b>	<u>1,486,599</u>	<u>(1,680,563)</u>	<u>(370,836)</u>	<u>5,078</u>	<u>(559,722)</u>
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers in	118,405	1,668,097	373,073	-	2,159,575
Transfers out	(1,149,665)	-	-	-	(1,149,665)
<b>Total Other Financing Sources (Uses)</b>	<u>(1,031,260)</u>	<u>1,668,097</u>	<u>373,073</u>	<u>-</u>	<u>1,009,910</u>
<b>Net Change in Fund Balances</b>	<u>455,339</u>	<u>(12,466)</u>	<u>2,237</u>	<u>5,078</u>	<u>450,188</u>
<b>Fund Balances - Beginning</b>	<u>29,313,598</u>	<u>3,492,326</u>	<u>148,551</u>	<u>493,127</u>	<u>33,447,602</u>
<b>Fund Balances - Ending</b>	<u><u>\$ 29,768,937</u></u>	<u><u>\$ 3,479,860</u></u>	<u><u>\$ 150,788</u></u>	<u><u>\$ 498,205</u></u>	<u><u>\$ 33,897,790</u></u>

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## **Nonmajor Governmental Funds**

- **Special Revenue Funds**

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## **CITY OF LINCOLN**

### **Nonmajor Special Revenue Funds**

Special Revenue Funds are used to account for the proceeds of specific revenue sources that are legally restricted or assigned to expenditure for specific purposes other than debt service or capital projects. Nonmajor special revenue funds used by the City are listed below:

#### **Park In-Lieu**

Accounts for fees collected from developers in lieu of dedicating land for park or recreational purposes. Fees are used to purchase property for public parks.

#### **Gas Tax**

Accounts for receipts and expenditures of monies apportioned for road projects under the Street and Highway Code Section 2105, 2106, 2107 and 2107.5 of the State of California.

#### **Street Fund**

Accounts for revenues and expenditures street projects.

#### **Supplemental Fees**

Accounts for supplemental activities that are supported by external sources of funds.

#### **Parks and Recreation Tax**

Accounts for monies received from the State and County to be used for traffic/street/transit improvements.

#### **Development Services**

Accounts for monies received in relation to all aspects of developing property and/or projects within the City. The activities are accounted for within the Community Development and Public Works Departments. Monies are received from license and permit costs and additional fees for services within the City of Lincoln and the surrounding areas.

#### **Police Grants**

Accounts for grants received for special police services.

#### **Revitalization and Rehabilitation Loans**

Accounts for revitalization and rehabilitation monies lent to local businesses and residents for revitalizing and rehabilitating homes and buildings.

#### **Community Development Block Grant (CDBG)**

Accounts for the City's participation in the Community Development Block Grant programs, which provides loans to businesses to generate jobs for new employees in the targeted income group (generally low income).

#### **HOME Investment Partnership Program**

Accounts for HOME Investment Partnership grants received for community services.

**CITY OF LINCOLN**  
**Nonmajor Special Revenue Funds**

**Oak Tree Mitigation**

Accounts for monies received from developers to replace oak trees that have been removed for development of land.

**Other Special Revenue Funds**

Accounts for the activities of several special revenue funds that include:

- State Grant - Advance
- Cal Home Grants
- Other Federal Grants

**Special Assessment Districts**

Accounts for resources received to provide improvements and maintenance to public property within the District.



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**CITY OF LINCOLN**  
**Combining Balance Sheet**  
**Nonmajor Special Revenue Funds**  
**June 30, 2014**

	<b>Park In-Lieu</b>	<b>Gas Tax</b>	<b>Street Fund</b>	<b>Supplemental Fees</b>
<b>ASSETS</b>				
Cash and investments	\$ 1,295,909	\$ 3,289,431	\$ 2,665,871	\$ 2,791,145
Receivables:				
Accounts	-	-	-	-
Interest	29	71	63	62
Taxes	-	-	-	-
Intergovernmental	-	136,400	-	-
Due from other funds	-	-	-	-
Investment in JPA	-	7,309	-	-
Advances to other funds	-	-	-	-
Restricted cash and investments	-	-	-	-
Loans receivable	-	-	-	-
<b>Total Assets</b>	<u>\$ 1,295,938</u>	<u>\$ 3,433,211</u>	<u>\$ 2,665,934</u>	<u>\$ 2,791,207</u>
<b>LIABILITIES</b>				
Accounts payable	\$ -	\$ 199,557	\$ 75,896	\$ -
Accrued salaries and benefits	-	8,032	6,112	-
Other accrued liabilities	-	-	-	-
Insurance payable	-	-	332	-
Retention payable	-	15,164	-	-
Deposits payable	-	-	-	-
Due to other funds	-	-	-	-
Unearned revenue	-	-	368,933	-
<b>Total Liabilities</b>	<u>-</u>	<u>222,753</u>	<u>451,273</u>	<u>-</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Unavailable revenue	-	-	-	-
<b>Total Deferred Inflows of Resources</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>FUND BALANCES</b>				
Nonspendable	-	7,309	-	-
Restricted	1,295,938	3,203,149	2,214,661	-
Assigned	-	-	-	2,791,207
Unassigned	-	-	-	-
<b>Total Fund Balances</b>	<u>1,295,938</u>	<u>3,210,458</u>	<u>2,214,661</u>	<u>2,791,207</u>
<b>Total Liabilities, Deferred Inflows of Resources, and Fund Balances</b>	<u>\$ 1,295,938</u>	<u>\$ 3,433,211</u>	<u>\$ 2,665,934</u>	<u>\$ 2,791,207</u>

<b>Parks and Recreation Tax</b>	<b>Development Services</b>	<b>Police Grants</b>	<b>Revitalization and Rehabilitation Loans</b>	<b>Community Development Block Grant (CDBG)</b>	<b>HOME Investment Partnership Program</b>	<b>Oak Tree Mitigation</b>	<b>Other Special Revenue Funds</b>
\$ 164,658	\$ 5,355,145	\$ -	\$ 732,143	\$ 119,389	\$ 68,819	\$ 1,150,107	\$ 945,237
-	4,660	-	-	-	-	-	-
3	111	-	17	3	2	26	20
-	-	5,524	-	-	-	-	-
-	-	-	-	-	-	-	1,284,691
-	42,012	-	-	-	-	314,074	-
-	-	-	-	-	-	2,000,000	-
-	-	-	-	498,615	-	-	-
-	-	-	83,641	596,243	2,177,326	-	499,581
<u>\$ 164,661</u>	<u>\$ 5,401,928</u>	<u>\$ 5,524</u>	<u>\$ 815,801</u>	<u>\$ 1,214,250</u>	<u>\$ 2,246,147</u>	<u>\$ 3,464,207</u>	<u>\$ 2,729,529</u>
\$ -	\$ 628,024	\$ -	\$ -	\$ 680	\$ 450	\$ -	\$ 910,540
-	15,388	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	55,872
-	936,439	-	-	-	-	-	-
-	-	4,726	-	-	-	-	747,233
1,308	897,099	-	-	-	-	-	361,587
<u>1,308</u>	<u>2,476,950</u>	<u>4,726</u>	<u>-</u>	<u>680</u>	<u>450</u>	<u>-</u>	<u>2,075,232</u>
-	-	-	-	-	-	-	1,182,100
-	-	-	-	-	-	-	1,182,100
-	42,012	-	83,641	596,243	2,177,326	2,000,000	499,581
163,353	24,140	798	732,160	617,327	68,371	1,464,207	429,015
-	2,858,826	-	-	-	-	-	-
-	-	-	-	-	-	-	(1,456,399)
<u>163,353</u>	<u>2,924,978</u>	<u>798</u>	<u>815,801</u>	<u>1,213,570</u>	<u>2,245,697</u>	<u>3,464,207</u>	<u>(527,803)</u>
<u>\$ 164,661</u>	<u>\$ 5,401,928</u>	<u>\$ 5,524</u>	<u>\$ 815,801</u>	<u>\$ 1,214,250</u>	<u>\$ 2,246,147</u>	<u>\$ 3,464,207</u>	<u>\$ 2,729,529</u>

**CITY OF LINCOLN**  
**Combining Balance Sheet**  
**Nonmajor Special Revenue Funds**  
**June 30, 2014**

	<b>Special Assessment Districts</b>	<b>Totals</b>
<b>ASSETS</b>		
Cash and investments	\$ 10,008,602	\$ 28,586,456
Receivables:		
Accounts	-	4,660
Interest	144,866	145,273
Taxes	220	5,744
Intergovernmental	-	1,421,091
Due from other funds	-	314,074
Investment in JPA	1,977	51,298
Advances to other funds	-	2,000,000
Restricted cash and investments	-	498,615
Loans receivable	-	3,356,791
<b>Total Assets</b>	<u>\$ 10,155,665</u>	<u>\$ 36,384,002</u>
<b>LIABILITIES</b>		
Accounts payable	\$ 177,459	\$ 1,992,606
Accrued salaries and benefits	17,565	47,097
Other accrued liabilities	4,569	4,569
Insurance payable	-	332
Retention payable	-	71,036
Deposits payable	-	936,439
Due to other funds	-	751,959
Unearned revenue	-	1,628,927
<b>Total Liabilities</b>	<u>199,593</u>	<u>5,432,965</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>		
Unavailable revenue	-	1,182,100
<b>Total Deferred Inflows of Resources</b>	<u>-</u>	<u>1,182,100</u>
<b>FUND BALANCES</b>		
Nonspendable	1,977	5,408,089
Restricted	9,954,095	20,167,214
Assigned	-	5,650,033
Unassigned	-	(1,456,399)
<b>Total Fund Balances</b>	<u>9,956,072</u>	<u>29,768,937</u>
<b>Total Liabilities, Deferred Inflows of Resources, and Fund Balances</b>	<u>\$ 10,155,665</u>	<u>\$ 36,384,002</u>

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**CITY OF LINCOLN**  
**Combining Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**Nonmajor Special Revenue Funds**  
**For the Year Ended June 30, 2014**

	<b>Park In-Lieu</b>	<b>Gas Tax</b>	<b>Street Fund</b>	<b>Supplemental Fees</b>
<b>REVENUES</b>				
Special assessments	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-
Fines and forfeitures	-	-	600	-
Use of money and property	20,766	49,947	70,969	40,811
Intergovernmental	-	1,548,649	1,452,775	-
Charges for services	119,716	-	-	128,598
Other revenues	-	-	5,916	-
<b>Total Revenues</b>	<u>140,482</u>	<u>1,598,596</u>	<u>1,530,260</u>	<u>169,409</u>
<b>EXPENDITURES</b>				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Public works and facilities	-	480,147	782,321	-
Urban redevelopment and housing	-	-	-	-
Capital outlay	-	713,985	375,839	-
<b>Total Expenditures</b>	<u>-</u>	<u>1,194,132</u>	<u>1,158,160</u>	<u>-</u>
<b>Excess of Revenues Over (Under) Expenditures</b>	<u>140,482</u>	<u>404,464</u>	<u>372,100</u>	<u>169,409</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	-	-	-	-
Transfers out	-	(150,000)	(184,569)	(316,273)
<b>Total Other Financing Sources (Uses)</b>	<u>-</u>	<u>(150,000)</u>	<u>(184,569)</u>	<u>(316,273)</u>
<b>Net Change in Fund Balances</b>	<u>140,482</u>	<u>254,464</u>	<u>187,531</u>	<u>(146,864)</u>
<b>Fund Balances - Beginning</b>	<u>1,155,456</u>	<u>2,955,994</u>	<u>2,027,130</u>	<u>2,938,071</u>
<b>Fund Balances (Deficits) - Ending</b>	<u>\$ 1,295,938</u>	<u>\$ 3,210,458</u>	<u>\$ 2,214,661</u>	<u>\$ 2,791,207</u>

<b>Parks and Recreation Tax</b>	<b>Development Services</b>	<b>Police Grants</b>	<b>Revitalization and Rehabilitation Loans</b>	<b>Community Development Block Grant (CDBG)</b>	<b>HOME Investment Partnership Program</b>	<b>Oak Tree Mitigation</b>	<b>Other Special Revenue Funds</b>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	1,060,031	-	-	-	-	-	-
-	-	-	-	-	-	-	-
1,600	65,384	-	15,036	12,863	51,212	25,275	43,711
-	3,151	100,000	-	-	-	-	380,159
73,080	874,262	-	-	-	-	56,625	-
-	2,083	-	-	-	-	-	-
<u>74,680</u>	<u>2,004,911</u>	<u>100,000</u>	<u>15,036</u>	<u>12,863</u>	<u>51,212</u>	<u>81,900</u>	<u>423,870</u>
-	-	-	-	13,260	450	-	5,650
-	-	100,104	-	-	-	-	-
-	1,241,311	-	-	-	-	-	213
-	-	-	1,818	-	-	-	-
-	-	-	-	-	-	-	1,964,949
<u>-</u>	<u>1,241,311</u>	<u>100,104</u>	<u>1,818</u>	<u>13,260</u>	<u>450</u>	<u>-</u>	<u>1,970,812</u>
<u>74,680</u>	<u>763,600</u>	<u>(104)</u>	<u>13,218</u>	<u>(397)</u>	<u>50,762</u>	<u>81,900</u>	<u>(1,546,942)</u>
-	-	-	-	-	-	-	-
-	(153,898)	-	-	-	-	-	-
<u>-</u>	<u>(153,898)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
74,680	609,702	(104)	13,218	(397)	50,762	81,900	(1,546,942)
88,673	2,315,276	902	802,583	1,213,967	2,194,935	3,382,307	1,019,139
<u>\$ 163,353</u>	<u>\$ 2,924,978</u>	<u>\$ 798</u>	<u>\$ 815,801</u>	<u>\$ 1,213,570</u>	<u>\$ 2,245,697</u>	<u>\$ 3,464,207</u>	<u>\$ (527,803)</u>

**CITY OF LINCOLN**  
**Combining Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**Nonmajor Special Revenue Funds**  
**For the Year Ended June 30, 2014**

	<b>Special Assessment Districts</b>	<b>Totals</b>
<b>REVENUES</b>		
Special assessments	\$ 2,827,246	\$ 2,827,246
Licenses and permits	-	1,060,031
Fines and forfeitures	-	600
Use of money and property	141,489	539,063
Intergovernmental	-	3,484,734
Charges for services	-	1,252,281
Other revenues	-	7,999
<b>Total Revenues</b>	<u>2,968,735</u>	<u>9,171,954</u>
<b>EXPENDITURES</b>		
Current:		
General government	29,880	49,240
Public safety	1,222	101,326
Public works and facilities	1,974,206	4,478,198
Urban redevelopment and housing	-	1,818
Capital outlay	-	3,054,773
<b>Total Expenditures</b>	<u>2,005,308</u>	<u>7,685,355</u>
<b>Excess of Revenues Over (Under) Expenditures</b>	<u>963,427</u>	<u>1,486,599</u>
<b>OTHER FINANCING SOURCES (USES)</b>		
Transfers in	118,405	118,405
Transfers out	(344,925)	(1,149,665)
<b>Total Other Financing Sources (Uses)</b>	<u>(226,520)</u>	<u>(1,031,260)</u>
<b>Net Change in Fund Balances</b>	736,907	455,339
<b>Fund Balances - Beginning</b>	<u>9,219,165</u>	<u>29,313,598</u>
<b>Fund Balances (Deficits) - Ending</b>	<u><u>\$ 9,956,072</u></u>	<u><u>\$ 29,768,937</u></u>



**CITY OF LINCOLN**  
**Budgetary Comparison Schedule**  
**Park In-Lieu - Nonmajor Special Revenue Fund**  
**For the Year Ended June 30, 2014**

	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual Amounts (Budgetary Basis)</b>	<b>Variance With Final Budget Positive (Negative)</b>
<b>REVENUES</b>				
Use of money and property	\$ 18,633	\$ 18,633	\$ 20,766	\$ 2,133
Charges for services	176,463	176,463	119,716	(56,747)
<b>Total Revenues</b>	<u>195,096</u>	<u>195,096</u>	<u>140,482</u>	<u>(54,614)</u>
<b>EXPENDITURES</b>				
Current:				
Public works and facilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total Expenditures</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Net Change in Fund Balance</b>	195,096	195,096	140,482	(54,614)
<b>Fund Balance - Beginning</b>	<u>1,155,456</u>	<u>1,155,456</u>	<u>1,155,456</u>	<u>-</u>
<b>Fund Balance - Ending</b>	<u>\$ 1,350,552</u>	<u>\$ 1,350,552</u>	<u>\$ 1,295,938</u>	<u>\$ (54,614)</u>

**CITY OF LINCOLN**  
**Budgetary Comparison Schedule**  
**Gas Tax - Nonmajor Special Revenue Fund**  
**For the Year Ended June 30, 2014**

	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual Amounts (Budgetary Basis)</b>	<b>Variance With Final Budget Positive (Negative)</b>
<b>REVENUES</b>				
Use of money and property	\$ 50,459	\$ 50,459	\$ 49,947	\$ (512)
Intergovernmental	1,269,053	1,269,053	1,548,649	279,596
<b>Total Revenues</b>	<u>1,319,512</u>	<u>1,319,512</u>	<u>1,598,596</u>	<u>279,084</u>
<b>EXPENDITURES</b>				
Current:				
Public works and facilities	374,762	374,762	480,147	(105,385)
Capital outlay	-	240,853	713,985	(473,132)
<b>Total Expenditures</b>	<u>374,762</u>	<u>615,615</u>	<u>1,194,132</u>	<u>(578,517)</u>
<b>Excess of Revenues Over (Under) Expenditures</b>	<u>944,750</u>	<u>703,897</u>	<u>404,464</u>	<u>(299,433)</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers out	(1,626,602)	(1,626,602)	(150,000)	1,476,602
<b>Total Other Financing Sources (Uses)</b>	<u>(1,626,602)</u>	<u>(1,626,602)</u>	<u>(150,000)</u>	<u>1,476,602</u>
<b>Net Change in Fund Balance</b>	<u>(681,852)</u>	<u>(922,705)</u>	<u>254,464</u>	<u>1,177,169</u>
<b>Fund Balance - Beginning</b>	<u>2,955,994</u>	<u>2,955,994</u>	<u>2,955,994</u>	<u>-</u>
<b>Fund Balance - Ending</b>	<u>\$ 2,274,142</u>	<u>\$ 2,033,289</u>	<u>\$ 3,210,458</u>	<u>\$ 1,177,169</u>

**CITY OF LINCOLN**  
**Budgetary Comparison Schedule**  
**Street Fund - Nonmajor Special Revenue Fund**  
**For the Year Ended June 30, 2014**

	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual Amounts (Budgetary Basis)</b>	<b>Variance With Final Budget Positive (Negative)</b>
<b>REVENUES</b>				
Fines and forfeitures	\$ -	\$ -	\$ 600	\$ 600
Use of money and property	28,052	28,052	70,969	42,917
Intergovernmental	1,985,699	1,279,699	1,452,775	173,076
Other revenues	-	-	5,916	5,916
<b>Total Revenues</b>	<u>2,013,751</u>	<u>1,307,751</u>	<u>1,530,260</u>	<u>222,509</u>
<b>EXPENDITURES</b>				
Current:				
Public works and facilities	828,277	828,277	782,321	45,956
Capital outlay	-	-	375,839	(375,839)
<b>Total Expenditures</b>	<u>828,277</u>	<u>828,277</u>	<u>1,158,160</u>	<u>(329,883)</u>
<b>Excess of Revenues Over (Under) Expenditures</b>	<u>1,185,474</u>	<u>479,474</u>	<u>372,100</u>	<u>(107,374)</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers out	(963,640)	(963,640)	(184,569)	779,071
<b>Total Other Financing Sources (Uses)</b>	<u>(963,640)</u>	<u>(963,640)</u>	<u>(184,569)</u>	<u>779,071</u>
<b>Net Change in Fund Balance</b>	<u>221,834</u>	<u>(484,166)</u>	<u>187,531</u>	<u>671,697</u>
<b>Fund Balance - Beginning</b>	<u>2,027,130</u>	<u>2,027,130</u>	<u>2,027,130</u>	<u>-</u>
<b>Fund Balance - Ending</b>	<u><u>\$ 2,248,964</u></u>	<u><u>\$ 1,542,964</u></u>	<u><u>\$ 2,214,661</u></u>	<u><u>\$ 671,697</u></u>

**CITY OF LINCOLN**  
**Budgetary Comparison Schedule**  
**Supplemental Fees - Nonmajor Special Revenue Fund**  
**For the Year Ended June 30, 2014**

	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual Amounts (Budgetary Basis)</b>	<b>Variance With Final Budget Positive (Negative)</b>
<b>REVENUES</b>				
Use of money and property	\$ 49,953	\$ 49,953	\$ 40,811	\$ (9,142)
Charges for services	79,246	79,246	128,598	49,352
<b>Total Revenues</b>	<u>129,199</u>	<u>129,199</u>	<u>169,409</u>	<u>40,210</u>
<b>EXPENDITURES</b>				
Current:				
General government	-	-	-	-
<b>Total Expenditures</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Excess of Revenues Over (Under) Expenditures</b>	<u>129,199</u>	<u>129,199</u>	<u>169,409</u>	<u>40,210</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers out	(316,273)	(316,273)	(316,273)	-
<b>Total Other Financing Sources (Uses)</b>	<u>(316,273)</u>	<u>(316,273)</u>	<u>(316,273)</u>	<u>-</u>
<b>Net Change in Fund Balance</b>	<u>(187,074)</u>	<u>(187,074)</u>	<u>(146,864)</u>	<u>40,210</u>
<b>Fund Balance - Beginning</b>	<u>2,938,071</u>	<u>2,938,071</u>	<u>2,938,071</u>	<u>-</u>
<b>Fund Balance - Ending</b>	<u><u>\$ 2,750,997</u></u>	<u><u>\$ 2,750,997</u></u>	<u><u>\$ 2,791,207</u></u>	<u><u>\$ 40,210</u></u>

**CITY OF LINCOLN**  
**Budgetary Comparison Schedule**  
**Parks and Recreation Tax - Nonmajor Special Revenue Fund**  
**For the Year Ended June 30, 2014**

	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual Amounts (Budgetary Basis)</b>	<b>Variance With Final Budget Positive (Negative)</b>
<b>REVENUES</b>				
Use of money and property	\$ 645	\$ 645	\$ 1,600	\$ 955
Charges for services	47,724	47,724	73,080	25,356
<b>Total Revenues</b>	<u>48,369</u>	<u>48,369</u>	<u>74,680</u>	<u>26,311</u>
<b>EXPENDITURES</b>				
Current:				
Public works and facilities	-	-	-	-
<b>Total Expenditures</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Net Change in Fund Balance</b>	48,369	48,369	74,680	26,311
<b>Fund Balance - Beginning</b>	<u>88,673</u>	<u>88,673</u>	<u>88,673</u>	<u>-</u>
<b>Fund Balance - Ending</b>	<u>\$ 137,042</u>	<u>\$ 137,042</u>	<u>\$ 163,353</u>	<u>\$ 26,311</u>

**CITY OF LINCOLN**  
**Budgetary Comparison Schedule**  
**Development Services - Nonmajor Special Revenue Fund**  
**For the Year Ended June 30, 2014**

	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual Amounts (Budgetary Basis)</b>	<b>Variance With Final Budget Positive (Negative)</b>
<b>REVENUES</b>				
Licenses and permits	\$ 587,953	\$ 587,953	\$ 1,060,031	\$ 472,078
Use of money and property	63,805	63,805	65,384	1,579
Intergovernmental	-	-	3,151	3,151
Charges for services	230,826	230,826	874,262	643,436
Other revenues	-	-	2,083	2,083
<b>Total Revenues</b>	<u>882,584</u>	<u>882,584</u>	<u>2,004,911</u>	<u>1,122,327</u>
<b>EXPENDITURES</b>				
Current:				
Public works and facilities	<u>1,176,012</u>	<u>1,206,012</u>	<u>1,241,311</u>	<u>(35,299)</u>
<b>Total Expenditures</b>	<u>1,176,012</u>	<u>1,206,012</u>	<u>1,241,311</u>	<u>(35,299)</u>
<b>Excess of Revenues Over (Under) Expenditures</b>	<u>(293,428)</u>	<u>(323,428)</u>	<u>763,600</u>	<u>1,087,028</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers out	<u>(420,451)</u>	<u>(420,451)</u>	<u>(153,898)</u>	<u>266,553</u>
<b>Total Other Financing Sources (Uses)</b>	<u>(420,451)</u>	<u>(420,451)</u>	<u>(153,898)</u>	<u>266,553</u>
<b>Net Change in Fund Balance</b>	<u>(713,879)</u>	<u>(743,879)</u>	<u>609,702</u>	<u>1,353,581</u>
<b>Fund Balance - Beginning</b>	<u>2,315,276</u>	<u>2,315,276</u>	<u>2,315,276</u>	<u>-</u>
<b>Fund Balance - Ending</b>	<u><u>\$ 1,601,397</u></u>	<u><u>\$ 1,571,397</u></u>	<u><u>\$ 2,924,978</u></u>	<u><u>\$ 1,353,581</u></u>

**CITY OF LINCOLN**  
**Budgetary Comparison Schedule**  
**Police Grants - Nonmajor Special Revenue Fund**  
**For the Year Ended June 30, 2014**

	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual Amounts (Budgetary Basis)</b>	<b>Variance With Final Budget Positive (Negative)</b>
<b>REVENUES</b>				
Intergovernmental	\$ 100,000	\$ 100,000	\$ 100,000	\$ -
<b>Total Revenues</b>	<u>100,000</u>	<u>100,000</u>	<u>100,000</u>	<u>-</u>
<b>EXPENDITURES</b>				
Current:				
Public safety	<u>100,000</u>	<u>100,000</u>	<u>100,104</u>	<u>(104)</u>
<b>Total Expenditures</b>	<u>100,000</u>	<u>100,000</u>	<u>100,104</u>	<u>(104)</u>
<b>Net Change in Fund Balance</b>	-	-	(104)	(104)
<b>Fund Balance - Beginning</b>	<u>902</u>	<u>902</u>	<u>902</u>	<u>-</u>
<b>Fund Balance - Ending</b>	<u>\$ 902</u>	<u>\$ 902</u>	<u>\$ 798</u>	<u>\$ (104)</u>

**CITY OF LINCOLN**  
**Budgetary Comparison Schedule**  
**Revitalization and Rehabilitation Loans - Nonmajor Special Revenue Fund**  
**For the Year Ended June 30, 2014**

	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual Amounts (Budgetary Basis)</b>	<b>Variance With Final Budget Positive (Negative)</b>
<b>REVENUES</b>				
Use of money and property	\$ 13,690	\$ 13,690	\$ 15,036	\$ 1,346
<b>Total Revenues</b>	<u>13,690</u>	<u>13,690</u>	<u>15,036</u>	<u>1,346</u>
<b>EXPENDITURES</b>				
Current:				
Urban redevelopment and housing	<u>5,000</u>	<u>5,000</u>	<u>1,818</u>	<u>3,182</u>
<b>Total Expenditures</b>	<u>5,000</u>	<u>5,000</u>	<u>1,818</u>	<u>3,182</u>
<b>Net Change in Fund Balance</b>	<u>8,690</u>	<u>8,690</u>	<u>13,218</u>	<u>4,528</u>
<b>Fund Balance - Beginning</b>	<u>802,583</u>	<u>802,583</u>	<u>802,583</u>	<u>-</u>
<b>Fund Balance - Ending</b>	<u><u>\$ 811,273</u></u>	<u><u>\$ 811,273</u></u>	<u><u>\$ 815,801</u></u>	<u><u>\$ 4,528</u></u>



**CITY OF LINCOLN**  
**Budgetary Comparison Schedule**  
**Community Development Block Grant (CDBG) - Nonmajor Special Revenue Fund**  
**For the Year Ended June 30, 2014**

	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual Amounts (Budgetary Basis)</b>	<b>Variance With Final Budget Positive (Negative)</b>
<b>REVENUES</b>				
Use of money and property	\$ 18,285	\$ 18,285	\$ 12,863	\$ (5,422)
<b>Total Revenues</b>	<u>18,285</u>	<u>18,285</u>	<u>12,863</u>	<u>(5,422)</u>
<b>EXPENDITURES</b>				
Current:				
General government	<u>53,019</u>	<u>53,019</u>	<u>13,260</u>	<u>39,759</u>
<b>Total Expenditures</b>	<u>53,019</u>	<u>53,019</u>	<u>13,260</u>	<u>39,759</u>
<b>Net Change in Fund Balance</b>	<u>(34,734)</u>	<u>(34,734)</u>	<u>(397)</u>	<u>34,337</u>
<b>Fund Balance - Beginning</b>	<u>1,213,967</u>	<u>1,213,967</u>	<u>1,213,967</u>	<u>-</u>
<b>Fund Balance - Ending</b>	<u><u>\$ 1,179,233</u></u>	<u><u>\$ 1,179,233</u></u>	<u><u>\$ 1,213,570</u></u>	<u><u>\$ 34,337</u></u>

**CITY OF LINCOLN**  
**Budgetary Comparison Schedule**  
**HOME Investment Partnership Program - Nonmajor Special Revenue Fund**  
**For the Year Ended June 30, 2014**

	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual Amounts (Budgetary Basis)</b>	<b>Variance With Final Budget Positive (Negative)</b>
<b>REVENUES</b>				
Use of money and property	\$ 417	\$ 417	\$ 51,212	\$ 50,795
<b>Total Revenues</b>	<u>417</u>	<u>417</u>	<u>51,212</u>	<u>50,795</u>
<b>EXPENDITURES</b>				
Current:				
General government	-	-	450	(450)
<b>Total Expenditures</b>	<u>-</u>	<u>-</u>	<u>450</u>	<u>(450)</u>
<b>Net Change in Fund Balance</b>	417	417	50,762	50,345
<b>Fund Balance - Beginning</b>	<u>2,194,935</u>	<u>2,194,935</u>	<u>2,194,935</u>	<u>-</u>
<b>Fund Balance - Ending</b>	<u>\$ 2,195,352</u>	<u>\$ 2,195,352</u>	<u>\$ 2,245,697</u>	<u>\$ 50,345</u>

**CITY OF LINCOLN**  
**Budgetary Comparison Schedule**  
**Oak Tree Mitigation - Nonmajor Special Revenue Fund**  
**For the Year Ended June 30, 2014**

	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual Amounts (Budgetary Basis)</b>	<b>Variance With Final Budget Positive (Negative)</b>
<b>REVENUES</b>				
Use of money and property	\$ 25,257	\$ 25,257	\$ 25,275	\$ 18
Charges for services	-	-	56,625	56,625
<b>Total Revenues</b>	<u>25,257</u>	<u>25,257</u>	<u>81,900</u>	<u>56,643</u>
<b>EXPENDITURES</b>				
Current:				
General government	-	-	-	-
<b>Total Expenditures</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Net Change in Fund Balance</b>	25,257	25,257	81,900	56,643
<b>Fund Balance - Beginning</b>	<u>3,382,307</u>	<u>3,382,307</u>	<u>3,382,307</u>	<u>-</u>
<b>Fund Balance - Ending</b>	<u>\$ 3,407,564</u>	<u>\$ 3,407,564</u>	<u>\$ 3,464,207</u>	<u>\$ 56,643</u>

**CITY OF LINCOLN**  
**Budgetary Comparison Schedule**  
**Other Special Revenue Funds - Nonmajor Special Revenue Fund**  
**For the Year Ended June 30, 2014**

	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual Amounts (Budgetary Basis)</b>	<b>Variance With Final Budget Positive (Negative)</b>
<b>REVENUES</b>				
Use of money and property	\$ 7,255	\$ 7,255	\$ 43,711	\$ 36,456
Intergovernmental	12,454,439	12,568,439	380,159	(12,188,280)
<b>Total Revenues</b>	<u>12,461,694</u>	<u>12,575,694</u>	<u>423,870</u>	<u>(12,151,824)</u>
<b>EXPENDITURES</b>				
Current:				
General government	1,000,000	1,000,000	5,650	994,350
Public works and facilities	-	-	213	(213)
Capital outlay	-	-	1,964,949	(1,964,949)
<b>Total Expenditures</b>	<u>1,000,000</u>	<u>1,000,000</u>	<u>1,970,812</u>	<u>(970,812)</u>
<b>Excess of Revenues Over (Under) Expenditures</b>	<u>11,461,694</u>	<u>11,575,694</u>	<u>(1,546,942)</u>	<u>(13,122,636)</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers out	<u>(11,500,319)</u>	<u>(11,500,319)</u>	-	11,500,319
<b>Total Other Financing Sources (Uses)</b>	<u>(11,500,319)</u>	<u>(11,500,319)</u>	-	11,500,319
<b>Net Change in Fund Balance</b>	<u>(38,625)</u>	<u>75,375</u>	<u>(1,546,942)</u>	<u>(1,622,317)</u>
<b>Fund Balance - Beginning</b>	<u>1,019,139</u>	<u>1,019,139</u>	<u>1,019,139</u>	-
<b>Fund Balance - Ending</b>	<u>\$ 980,514</u>	<u>\$ 1,094,514</u>	<u>\$ (527,803)</u>	<u>\$ (1,622,317)</u>

**CITY OF LINCOLN**  
**Budgetary Comparison Schedule**  
**Special Assessment Districts - Nonmajor Special Revenue Fund**  
**For the Year Ended June 30, 2014**

	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual Amounts (Budgetary Basis)</b>	<b>Variance With Final Budget Positive (Negative)</b>
<b>REVENUES</b>				
Special assessments	\$ 2,986,888	\$ 2,986,888	\$ 2,827,246	\$ (159,642)
Use of money and property	144,570	144,570	141,489	(3,081)
<b>Total Revenues</b>	<u>3,131,458</u>	<u>3,131,458</u>	<u>2,968,735</u>	<u>(162,723)</u>
<b>EXPENDITURES</b>				
Current:				
General government	27,653	27,653	29,880	(2,227)
Public safety	-	-	1,222	(1,222)
Public works and facilities	2,273,552	2,279,052	1,974,206	304,846
Capital outlay	-	50,000	-	50,000
<b>Total Expenditures</b>	<u>2,301,205</u>	<u>2,356,705</u>	<u>2,005,308</u>	<u>351,397</u>
<b>Excess of Revenues Over (Under) Expenditures</b>	<u>830,253</u>	<u>774,753</u>	<u>963,427</u>	<u>188,674</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	-	118,405	118,405	-
Transfers out	(547,104)	(833,437)	(344,925)	488,512
<b>Total Other Financing Sources (Uses)</b>	<u>(547,104)</u>	<u>(715,032)</u>	<u>(226,520)</u>	<u>488,512</u>
<b>Net Change in Fund Balance</b>	<u>283,149</u>	<u>59,721</u>	<u>736,907</u>	<u>677,186</u>
<b>Fund Balance - Beginning</b>	<u>9,219,165</u>	<u>9,219,165</u>	<u>9,219,165</u>	<u>-</u>
<b>Fund Balance - Ending</b>	<u><u>\$ 9,502,314</u></u>	<u><u>\$ 9,278,886</u></u>	<u><u>\$ 9,956,072</u></u>	<u><u>\$ 677,186</u></u>

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## **Nonmajor Governmental Funds**

- **Debt Service Funds**

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**CITY OF LINCOLN**  
**Nonmajor Debt Service Funds**

Debt Service Funds are used to account for and report financial resources that are restricted, committed, or assigned to expenditure for principal and interest. Nonmajor debt service funds used by the City are listed below:

**Lincoln Public Financing Authority Series 2006-1**

Accounts for debt service payments for the 2006 Lease Revenue Series 2004A Bonds which were used to construct the City administration facilities.

**Lincoln Public Financing Authority Series 2000**

Accounts for debt service payments on the 2000 Tax Allocation Revenue Bonds issued to finance certain public capital improvements.

**Lincoln Public Financing Authority Series 2003**

Accounts for the 2003 Lease Revenue Refunding Bonds which were used to construct the public safety facility and the corporate yard project.

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**CITY OF LINCOLN**  
**Combining Balance Sheet**  
**Nonmajor Debt Service Funds**  
**June 30, 2014**

	Lincoln Public Financing Authority Series 2006-1	Lincoln Public Financing Authority Series 2000	Lincoln Public Financing Authority Series 2003	Totals
<b>ASSETS</b>				
Cash and investments	\$ 12,674	\$ 1,447,212	\$ -	\$ 1,459,886
Receivables:				
Interest	-	34	-	34
Restricted cash and investments	944,575	354,879	720,500	2,019,954
<b>Total Assets</b>	<u>\$ 957,249</u>	<u>\$ 1,802,125</u>	<u>\$ 720,500</u>	<u>\$ 3,479,874</u>
<b>LIABILITIES</b>				
Due to other funds	\$ -	\$ -	\$ 14	\$ 14
<b>Total Liabilities</b>	<u>-</u>	<u>-</u>	<u>14</u>	<u>14</u>
<b>FUND BALANCES</b>				
Restricted	957,249	1,802,125	720,486	3,479,860
<b>Total Fund Balances</b>	<u>957,249</u>	<u>1,802,125</u>	<u>720,486</u>	<u>3,479,860</u>
<b>Total Liabilities and Fund Balances</b>	<u>\$ 957,249</u>	<u>\$ 1,802,125</u>	<u>\$ 720,500</u>	<u>\$ 3,479,874</u>

**CITY OF LINCOLN**  
**Combining Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**Nonmajor Debt Service Funds**  
**For the Year Ended June 30, 2014**

	Lincoln Public Financing Authority Series 2006-1	Lincoln Public Financing Authority Series 2000	Lincoln Public Financing Authority Series 2003	Totals
<b>REVENUES</b>				
Use of money and property	\$ 122	\$ 21,530	\$ -	\$ 21,652
Other revenues	-	66,281	-	66,281
<b>Total Revenues</b>	122	87,811	-	87,933
<b>EXPENDITURES</b>				
Current:				
General government	-	4,884	-	4,884
Public works and facilities	6,942	-	6,988	13,930
Debt service:				
Principal	315,000	50,000	350,000	715,000
Interest and other charges	629,200	41,308	364,174	1,034,682
<b>Total Expenditures</b>	951,142	96,192	721,162	1,768,496
<b>Excess of Revenues Over (Under) Expenditures</b>	(951,020)	(8,381)	(721,162)	(1,680,563)
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	947,060	-	721,037	1,668,097
<b>Total Other Financing Sources (Uses)</b>	947,060	-	721,037	1,668,097
<b>Net Change in Fund Balances</b>	(3,960)	(8,381)	(125)	(12,466)
<b>Fund Balances - Beginning</b>	961,209	1,810,506	720,611	3,492,326
<b>Fund Balances - Ending</b>	\$ 957,249	\$ 1,802,125	\$ 720,486	\$ 3,479,860

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## **Nonmajor Governmental Funds**

- **Capital Projects Funds**

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**CITY OF LINCOLN**  
**Nonmajor Capital Projects Funds**

The Capital Projects Funds are used to account for financial resources that are restricted, committed or assigned to expenditure for capital outlay. Nonmajor capital projects funds used by the City are listed below:

**Lincoln Public Financing Authority City Hall Series 2006**

Accounts for construction of the City administration facility.

**Capital Projects**

Accounts for the monies provided and used for City capital improvements.

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**CITY OF LINCOLN**  
**Combining Balance Sheet**  
**Nonmajor Capital Projects Funds**  
**June 30, 2014**

	<b>Lincoln Public Financing Authority City Hall Series 2006</b>	<b>Capital Projects</b>	<b>Totals</b>
<b>ASSETS</b>			
Cash and investments	\$ 150,785	\$ -	\$ 150,785
Receivables:			
Interest	3	-	3
<b>Total Assets</b>	<u>\$ 150,788</u>	<u>\$ -</u>	<u>\$ 150,788</u>
<b>LIABILITIES</b>			
Due to other funds	\$ -	\$ -	\$ -
<b>Total Liabilities</b>	<u>-</u>	<u>-</u>	<u>-</u>
<b>FUND BALANCES</b>			
Restricted	150,788	-	150,788
<b>Total Fund Balances</b>	<u>150,788</u>	<u>-</u>	<u>150,788</u>
<b>Total Liabilities and Fund Balances</b>	<u>\$ 150,788</u>	<u>\$ -</u>	<u>\$ 150,788</u>

**CITY OF LINCOLN**  
**Combining Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**Nonmajor Capital Projects Funds**  
**For the Year Ended June 30, 2014**

	<b>Lincoln Public Financing Authority City Hall Series 2006</b>	<b>Capital Projects</b>	<b>Totals</b>
<b>REVENUES</b>			
Use of money and property	\$ 2,237	\$ -	\$ 2,237
<b>Total Revenues</b>	<u>2,237</u>	<u>-</u>	<u>2,237</u>
<b>EXPENDITURES</b>			
Capital outlay	<u>-</u>	<u>373,073</u>	<u>373,073</u>
<b>Total Expenditures</b>	<u>-</u>	<u>373,073</u>	<u>373,073</u>
<b>Excess of Revenues Over (Under) Expenditures</b>	<u>2,237</u>	<u>(373,073)</u>	<u>(370,836)</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers in	<u>-</u>	<u>373,073</u>	<u>373,073</u>
<b>Total Other Financing Sources (Uses)</b>	<u>-</u>	<u>373,073</u>	<u>373,073</u>
<b>Net Change in Fund Balances</b>	2,237	-	2,237
<b>Fund Balances - Beginning</b>	<u>148,551</u>	<u>-</u>	<u>148,551</u>
<b>Fund Balances - Ending</b>	<u><u>\$ 150,788</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 150,788</u></u>

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## **Nonmajor Governmental Funds**

- **Permanent Funds**

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**CITY OF LINCOLN**  
**Nonmajor Permanent Funds**

Permanent Funds are used to report resources that are legally restricted to the extent that only earnings, not principal, may be used for purposes that support the reporting of the City's programs. Nonmajor permanent funds of the City are listed below:

**Stormwater Retention Maintenance**

Accounts for resources received for the purpose of protecting open space easements surrounding the stormwater retention area.

**Suncal Open Space Endowment**

Accounts for resources received for the purpose of preserving the open space endowment at the Suncal-Lincoln Crossing.

**Brookview Open Space Maintenance Trust**

Accounts for resources received for the purpose of preserving the open space within the Brookview 4 subdivision.

**Sterling Point Endowment**

Accounts for resources received for the purpose of protecting the open space and wetland habitat at Sterling Point.

**WWTRF Tertiary Storage Basin Maintenance**

Accounts for resources received for the purpose of providing erosion protection and vegetation control for the WWTRF storage basins.

**Lincoln Aircenter**

Accounts for resources received for the purpose of providing open space maintenance and management of the Lincoln Aircenter Open Space.

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**CITY OF LINCOLN**  
**Combining Balance Sheet**  
**Nonmajor Permanent Funds**  
**June 30, 2014**

	<b>Stormwater Retention Maintenance</b>	<b>Suncal Open Space Endowment</b>	<b>Brookview Open Space Maintenance Trust</b>	<b>Sterling Point Endowment</b>
<b>ASSETS</b>				
Cash and investments	\$ 32,403	\$ 245,656	\$ -	\$ 60,326
Receivables:				
Interest	-	6	-	1
Restricted cash and investments	-	-	16,255	-
<b>Total Assets</b>	<u>\$ 32,403</u>	<u>\$ 245,662</u>	<u>\$ 16,255</u>	<u>\$ 60,327</u>
<b>LIABILITIES</b>				
Accounts payable	\$ -	\$ -	\$ 239	\$ -
<b>Total Liabilities</b>	<u>-</u>	<u>-</u>	<u>239</u>	<u>-</u>
<b>FUND BALANCES</b>				
Nonspendable	25,439	221,220	5,000	50,000
Restricted	6,964	24,442	11,016	10,327
<b>Total Fund Balances</b>	<u>32,403</u>	<u>245,662</u>	<u>16,016</u>	<u>60,327</u>
<b>Total Liabilities and Fund Balances</b>	<u>\$ 32,403</u>	<u>\$ 245,662</u>	<u>\$ 16,255</u>	<u>\$ 60,327</u>



<b>WWTRF Tertiary Storage Basin Maintenance</b>	<b>Lincoln Aircenter</b>	<b>Totals</b>
\$ 61,031	\$ 82,763	\$ 482,179
1	2	10
-	-	16,255
<u>\$ 61,032</u>	<u>\$ 82,765</u>	<u>\$ 498,444</u>
\$ -	\$ -	\$ 239
-	-	239
50,000	5,000	356,659
11,032	77,765	141,546
61,032	82,765	498,205
<u>\$ 61,032</u>	<u>\$ 82,765</u>	<u>\$ 498,444</u>

**CITY OF LINCOLN**  
**Combining Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**Nonmajor Permanent Funds**  
**For the Year Ended June 30, 2014**

	<b>Stormwater Retention Maintenance</b>	<b>Suncal Open Space Endowment</b>	<b>Brookview Open Space Maintenance Trust</b>	<b>Sterling Point Endowment</b>
<b>REVENUES</b>				
Use of money and property	\$ 479	\$ 1,569	\$ 2	\$ 895
<b>Total Revenues</b>	<u>479</u>	<u>1,569</u>	<u>2</u>	<u>895</u>
<b>EXPENDITURES</b>				
Current:				
Public works and facilities	-	-	-	-
<b>Total Expenditures</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Net Change in Fund Balances</b>	479	1,569	2	895
<b>Fund Balances - Beginning</b>	<u>31,924</u>	<u>244,093</u>	<u>16,014</u>	<u>59,432</u>
<b>Fund Balances - Ending</b>	<u>\$ 32,403</u>	<u>\$ 245,662</u>	<u>\$ 16,016</u>	<u>\$ 60,327</u>

<b>WWTRF Tertiary Storage Basin Maintenance</b>	<b>Lincoln Aircenter</b>	<b>Totals</b>
<u>\$ 905</u>	<u>\$ 1,228</u>	<u>\$ 5,078</u>
<u>905</u>	<u>1,228</u>	<u>5,078</u>
<u>-</u>	<u>-</u>	<u>-</u>
<u>-</u>	<u>-</u>	<u>-</u>
905	1,228	5,078
<u>60,127</u>	<u>81,537</u>	<u>493,127</u>
<u><u>\$ 61,032</u></u>	<u><u>\$ 82,765</u></u>	<u><u>\$ 498,205</u></u>

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## **Nonmajor Enterprise Funds**

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**CITY OF LINCOLN**  
**Nonmajor Enterprise Funds**

Enterprise funds are used to account for operations that are financed and operated in a manner similar to private business enterprises where the intent of the governing body is that the costs of providing goods or services to the general public on a continuing basis be financed primarily through user charges; or where the City has decided that periodic determination of revenues earned, expenses incurred and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes. Nonmajor enterprise funds of the City are listed below:

**Transit**

Accounts for the activities of the City of Lincoln's transit services. The City of Lincoln provides fixed route and demand-response public transit services to its residents.

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**CITY OF LINCOLN**  
**Statement of Net Position**  
**Nonmajor Enterprise Funds**  
**June 30, 2014**

	<u>Transit</u>	<u>Totals</u>
<b>ASSETS</b>		
Current Assets:		
Cash and investments	\$ 586,662	\$ 586,662
Receivables:		
Interest	12	12
Intergovernmental	154,687	154,687
Investment in JPA	<u>3,474</u>	<u>3,474</u>
<b>Total Current Assets</b>	<u>744,835</u>	<u>744,835</u>
Noncurrent Assets:		
Capital assets:		
Depreciable, net	<u>657,685</u>	<u>657,685</u>
<b>Total Noncurrent Assets</b>	<u>657,685</u>	<u>657,685</u>
<b>Total Assets</b>	<u>1,402,520</u>	<u>1,402,520</u>
<b>LIABILITIES</b>		
Current Liabilities:		
Accounts payable	4,751	4,751
Accrued salaries and benefits	13,055	13,055
Unearned revenue	118,958	118,958
Compensated absences payable	<u>17,700</u>	<u>17,700</u>
<b>Total Current Liabilities</b>	<u>154,464</u>	<u>154,464</u>
Noncurrent Liabilities:		
Compensated absences payable	4,085	4,085
Net OPEB obligation	<u>88,260</u>	<u>88,260</u>
<b>Total Noncurrent Liabilities</b>	<u>92,345</u>	<u>92,345</u>
<b>Total Liabilities</b>	<u>246,809</u>	<u>246,809</u>
<b>NET POSITION</b>		
Net investment in capital assets	657,685	657,685
Unrestricted	<u>498,026</u>	<u>498,026</u>
<b>Total Net Position</b>	<u>\$ 1,155,711</u>	<u>\$ 1,155,711</u>

**CITY OF LINCOLN**  
**Statement of Revenues, Expenses, and**  
**Changes in Net Position**  
**Nonmajor Enterprise Funds**  
**For the Year Ended June 30, 2014**

	<u>Transit</u>	<u>Totals</u>
<b>OPERATING REVENUES</b>		
Charges for services	\$ 47,195	\$ 47,195
<b>Total Operating Revenues</b>	<u>47,195</u>	<u>47,195</u>
<b>OPERATING EXPENSES</b>		
Salaries and benefits	399,689	399,689
Services and supplies	172,875	172,875
Support services	223,791	223,791
Depreciation	59,276	59,276
<b>Total Operating Expenses</b>	<u>855,631</u>	<u>855,631</u>
<b>Operating Income (Loss)</b>	<u>(808,436)</u>	<u>(808,436)</u>
<b>NONOPERATING REVENUES (EXPENSES)</b>		
Taxes	810,987	810,987
Intergovernmental	448,694	448,694
Interest income	4,159	4,159
Other non-operating revenues	624	624
<b>Total Nonoperating Revenues (Expenses)</b>	<u>1,264,464</u>	<u>1,264,464</u>
<b>Income (Loss) before Transfers</b>	456,028	456,028
Transfers out	<u>(75,823)</u>	<u>(75,823)</u>
<b>Change in Net Position</b>	<u>380,205</u>	<u>380,205</u>
<b>Total Net Position - Beginning</b>	1,029,619	1,029,619
Prior period adjustment	<u>(254,113)</u>	<u>(254,113)</u>
<b>Total Net Position - Beginning, Restated</b>	<u>775,506</u>	<u>775,506</u>
<b>Total Net Position - Ending</b>	<u><u>\$ 1,155,711</u></u>	<u><u>\$ 1,155,711</u></u>

**CITY OF LINCOLN**  
**Statement of Cash Flows**  
**Nonmajor Enterprise Funds**  
**For the Year Ended June 30, 2014**

	<u>Transit</u>	<u>Totals</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Receipts from customers	\$ (87,960)	\$ (87,960)
Payments to suppliers	(401,387)	(401,387)
Payments to employees	(469,125)	(469,125)
<b>Net Cash Provided (Used) by Operating Activities</b>	<u>(958,472)</u>	<u>(958,472)</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>		
Taxes received	810,987	810,987
Intergovernmental revenues received	294,007	294,007
Other revenues received	624	624
Transfers to other funds	(75,823)	(75,823)
Interfund loan repayments received	<u>5,558</u>	<u>5,558</u>
<b>Net Cash Provided (Used) by Noncapital Financing Activities</b>	<u>1,035,353</u>	<u>1,035,353</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Interest and dividends	<u>4,181</u>	<u>4,181</u>
<b>Net Cash Provided (Used) by Investing Activities</b>	<u>4,181</u>	<u>4,181</u>
<b>Net Increase (Decrease) in Cash and Cash Equivalents</b>	81,062	81,062
<b>Balances - Beginning</b>	<u>505,600</u>	<u>505,600</u>
<b>Balances - Ending</b>	<u><u>\$ 586,662</u></u>	<u><u>\$ 586,662</u></u>
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>		
Operating income (loss)	\$ (808,436)	\$ (808,436)
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation	59,276	59,276
Decrease (Increase) in:		
Investment in JPA	(4,329)	(4,329)
Increase (Decrease) in:		
Accounts payable	(392)	(392)
Accrued salaries and benefits	(189)	(189)
Unearned revenue	(135,155)	(135,155)
Compensated absences payable	(2,397)	(2,397)
Net OPEB obligation	<u>(66,850)</u>	<u>(66,850)</u>
<b>Net Cash Provided (Used) by Operating Activities</b>	<u><u>\$ (958,472)</u></u>	<u><u>\$ (958,472)</u></u>
<b>NONCASH OPERATING ACTIVITIES</b>		
Correction of unearned revenues	\$ (254,113)	\$ (254,113)

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## **Internal Service Funds**

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**CITY OF LINCOLN**  
**Internal Service Funds**

Internal Service Funds are used to account for the financing of goods or services provided by one department or agency to other departments on a cost-reimbursement basis. Internal Service Funds used at the City are listed below:

**Internal Services**

Accounts for the City's Fleet maintenance and insurance programs which provide services to other departments on a cost reimbursement basis.

**Vehicle/Equipment Replacement**

Accounts for the City's vehicle and equipment replacement program which provides services to other departments on a cost reimbursement basis.

**Facility Maintenance**

Accounts for the City's facility maintenance program which provides services to other departments on a cost reimbursement basis.

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**CITY OF LINCOLN**  
**Combining Statement of Net Position**  
**Internal Service Funds**  
**June 30, 2014**

	<b>Internal Services</b>	<b>Vehicle/ Equipment Replacement</b>	<b>Facility Maintenance</b>	<b>Total</b>
<b>ASSETS</b>				
Current Assets:				
Cash and investments	\$ 687,966	\$ 891,178	\$ 735,984	\$ 2,315,128
Receivables:				
Accounts, net	385	-	-	385
Interest	10	20	17	47
Intergovernmental	13,132	-	-	13,132
Investment in JPA	18,347	-	-	18,347
<b>Total Current Assets</b>	<b>719,840</b>	<b>891,198</b>	<b>736,001</b>	<b>2,347,039</b>
Noncurrent Assets:				
Capital assets:				
Non-depreciable	93,685	9,765	-	103,450
Depreciable, net	40,438	-	-	40,438
<b>Total Noncurrent Assets</b>	<b>134,123</b>	<b>9,765</b>	<b>-</b>	<b>143,888</b>
<b>Total Assets</b>	<b>853,963</b>	<b>900,963</b>	<b>736,001</b>	<b>2,490,927</b>
<b>LIABILITIES</b>				
Current Liabilities:				
Accounts payable	120,575	173	-	120,748
Accrued salaries and benefits	85,712	-	-	85,712
Compensated absences payable	404,270	-	-	404,270
<b>Total Current Liabilities</b>	<b>610,557</b>	<b>173</b>	<b>-</b>	<b>610,730</b>
Noncurrent Liabilities:				
Compensated absences payable	60,523	-	-	60,523
<b>Total Noncurrent Liabilities</b>	<b>60,523</b>	<b>-</b>	<b>-</b>	<b>60,523</b>
<b>Total Liabilities</b>	<b>671,080</b>	<b>173</b>	<b>-</b>	<b>671,253</b>
<b>NET POSITION</b>				
Net investment in capital assets	134,123	9,765	-	143,888
Unrestricted	48,760	891,025	736,001	1,675,786
<b>Total Net Position</b>	<b>\$ 182,883</b>	<b>\$ 900,790</b>	<b>\$ 736,001</b>	<b>\$ 1,819,674</b>

**CITY OF LINCOLN**  
**Combining Statement of Revenues, Expenses, and**  
**Changes in Net Position**  
**Internal Service Fund**  
**For the Year Ended June 30, 2014**

	<b>Internal Services</b>	<b>Vehicle/ Equipment Replacement</b>	<b>Facility Maintenance</b>	<b>Total</b>
<b>OPERATING REVENUES</b>				
Charges for services	\$ 4,638,079	\$ -	\$ -	\$ 4,638,079
Other revenues	5,688	-	-	5,688
<b>Total Operating Revenues</b>	<u>4,643,767</u>	<u>-</u>	<u>-</u>	<u>4,643,767</u>
<b>OPERATING EXPENSES</b>				
Salaries and benefits	2,655,310	-	-	2,655,310
Services and supplies	1,985,579	3,050	12,500	2,001,129
Depreciation	6,703	-	-	6,703
<b>Total Operating Expenses</b>	<u>4,647,592</u>	<u>3,050</u>	<u>12,500</u>	<u>4,663,142</u>
<b>Operating Income (Loss)</b>	<u>(3,825)</u>	<u>(3,050)</u>	<u>(12,500)</u>	<u>(19,375)</u>
<b>NONOPERATING REVENUES (EXPENSES)</b>				
Intergovernmental	1,278	-	-	1,278
Interest income	2,558	7,162	2,164	11,884
<b>Total Nonoperating Revenues (Expenses)</b>	<u>3,836</u>	<u>7,162</u>	<u>2,164</u>	<u>13,162</u>
<b>Income (Loss) before Transfers</b>	<u>11</u>	<u>4,112</u>	<u>(10,336)</u>	<u>(6,213)</u>
Transfers in	<u>-</u>	<u>569,515</u>	<u>746,337</u>	<u>1,315,852</u>
<b>Change in Net Position</b>	<u>11</u>	<u>573,627</u>	<u>736,001</u>	<u>1,309,639</u>
<b>Total Net Position - Beginning</b>	<u>182,872</u>	<u>327,163</u>	<u>-</u>	<u>510,035</u>
<b>Total Net Position - Ending</b>	<u><u>\$ 182,883</u></u>	<u><u>\$ 900,790</u></u>	<u><u>\$ 736,001</u></u>	<u><u>\$ 1,819,674</u></u>

**CITY OF LINCOLN**  
**Combining Statement of Cash Flows**  
**Internal Service Fund**  
**For the Year Ended June 30, 2014**

	<b>Internal Services</b>	<b>Vehicle/ Equipment Replacement</b>	<b>Facility Maintenance</b>	<b>Total</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Receipts from customers	\$ 4,643,962	\$ -	\$ -	\$ 4,643,962
Payments to suppliers	(2,088,714)	(2,877)	(12,500)	(2,104,091)
Payments to employees	(2,542,329)	-	-	(2,542,329)
<b>Net Cash Provided (Used) by Operating Activities</b>	<b>12,919</b>	<b>(2,877)</b>	<b>(12,500)</b>	<b>(2,458)</b>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>				
Intergovernmental revenues received	1,106	21,123	-	22,229
Transfers from other funds	-	-	746,337	746,337
Interfund loan repayments received	7,677	-	-	7,677
<b>Net Cash Provided (Used) by Noncapital Financing Activities</b>	<b>8,783</b>	<b>21,123</b>	<b>746,337</b>	<b>776,243</b>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>				
Acquisition of capital assets	(93,685)	(9,765)	-	(103,450)
Proceeds from sales of assets	-	569,515	-	569,515
<b>Net Cash Provided (Used) by Capital and Related Financing Activities</b>	<b>(93,685)</b>	<b>559,750</b>	<b>-</b>	<b>466,065</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Interest and dividends	2,548	7,159	2,147	11,854
<b>Net Cash Provided (Used) by Investing Activities</b>	<b>2,548</b>	<b>7,159</b>	<b>2,147</b>	<b>11,854</b>
<b>Net Increase (Decrease) in Cash and Cash Equivalents</b>	<b>(69,435)</b>	<b>585,155</b>	<b>735,984</b>	<b>1,251,704</b>
<b>Balances - Beginning</b>	<b>757,401</b>	<b>306,023</b>	<b>-</b>	<b>1,063,424</b>
<b>Balances - Ending</b>	<b>\$ 687,966</b>	<b>\$ 891,178</b>	<b>\$ 735,984</b>	<b>\$ 2,315,128</b>
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>				
Operating income (loss)	\$ (3,825)	\$ (3,050)	\$ (12,500)	\$ (19,375)
Adjustments to reconcile operating income to net cash provided by operating activities:				
Depreciation	6,703	-	-	6,703
Decrease (Increase) in:				
Accounts receivable	195	-	-	195
Investment in JPA	(27,485)	-	-	(27,485)
Increase (Decrease) in:				
Accounts payable	(75,650)	173	-	(75,477)
Accrued salaries and benefits	2,119	-	-	2,119
Compensated absences payable	110,862	-	-	110,862
<b>Net Cash Provided (Used) by Operating Activities</b>	<b>\$ 12,919</b>	<b>\$ (2,877)</b>	<b>\$ (12,500)</b>	<b>\$ (2,458)</b>

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**Fiduciary Funds**

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## **CITY OF LINCOLN**

### **Fiduciary Funds**

The Fiduciary Funds are used to report assets held in a trustee or agency capacity for others and therefore cannot be used to support the government's own programs.

#### **Private Purpose Trust Funds**

These funds are used to report other trust arrangements under which principal and income benefit individuals, private organizations, or other governments. The private purpose trust funds maintained by the City include the following:

##### **Successor Agency to the Redevelopment Agency of the City of Lincoln**

The fund is used to report the dissolution of the Redevelopment Agency of the City of Lincoln.

#### **Agency Funds**

These funds are used to report resources held by the City in a purely custodial capacity. The agency funds maintained by the City include the following:

##### **Little League Fund**

Accounts for monies held as agent for Little League activities.

##### **Markham Ravine Neighborhood Trust**

Accounts for resources received for the purpose of preserving open space surrounding the Markham Ravine area.

##### **Lincoln Airpark 98-1**

Accounts for monies held from the Community Facilities District No. 1998-1 Special Tax Bonds to finance the acquisition of public improvements to property within the community facilities district and finance wetland mitigation measures. Revenue received from property tax assessment. These bonds are not a liability of the City.

##### **Twelve Bridges Series 2011**

Accounts for the monies held from the Twelve Bridges Refunding Bonds Series 2011 for improvements within the assessment district. Monies are received from special tax assessments. These bonds are not a liability of the City.

##### **Foskett Ranch Series 2004-3**

Accounts for the monies held from the Limited Obligation Revenue Bonds held to finance the construction/acquisition of public improvements within the assessment district. Monies are received from special tax assessments. These bonds are not a liability of the City.

##### **Lakeside CFD Series 2006**

Accounts for the monies held from the Special Tax Bonds for the acquisition improvements within the Lakeside Area 2 assessment district. These bonds are not a liability of the City.

## **CITY OF LINCOLN**

### **Fiduciary Funds**

#### **Special Tax Revenue Bond 2007 A&B**

Accounts for the monies held from the purchase of the Local Obligations to acquire, construct and improve the Lincoln Crossing 2003-1 assessment district. These bonds are not a liability of the City.

#### **CFD Sorrento Series 2009**

Accounts for the monies held from the Special Tax Bonds for improvements within the Sorrento Project 2005-A Assessment District. Monies are received from special tax assessments. These bonds are not a liability of the City.

#### **CFD Sorrento 2005-1 Series 2013**

Accounts for the monies held from the Special Tax Bonds for improvements within the Sorrento Project 2005-1 Assessment District. Monies are received from special tax assessments. These bonds are not a liability of the City.

#### **Capital Improvements**

Accounts for bond proceeds, federal and local funds and transfers from other funds which are designated for various buildings and general improvements.

#### **Twelve Bridges Capital Projects**

Accounts for construction or purchase of improvements within the Twelve Bridges assessment district.

#### **Highway 65 Capital Projects**

Accounts for resources received for work on Highway 65.

#### **Aiken Ranch Financial District Improvements**

Accounts for resources received for construction or purchase of improvements within the assessment district.

#### **Lakeside Community Facilities District (CFD) Improvement Area**

Accounts for construction or improvements with the Lakeside assessment district.

#### **Lincoln Crossing Capital Projects**

Accounts for resources received for construction or purchase of improvements within the assessment district.

#### **Foskett Ranch Series 2004-3**

Accounts for resources received to construct improvements at Foskett Ranch.



**CITY OF LINCOLN**  
**Combining Statement of Fiduciary Net Position**  
**Private Purpose Trust Funds**  
**June 30, 2014**

	Successor Agency to the Redevelopment Agency of the City of Lincoln				Total Private Purpose Trust Funds
	Low/Moderate Income Housing	Redevelopment Agency	Capital Projects	Debt Service	
ASSETS					
Current Assets:					
Cash and investments	\$ 1,685	\$ 1,348,905	\$ 980,721	\$ 963	\$ 2,332,274
Receivables:					
Interest	772,492	797,657	22	-	1,570,171
Due from other funds	12,559	-	-	-	12,559
Investment in JPA	-	3,061	-	-	3,061
Advances to other funds	871,819	-	-	-	871,819
Restricted cash and investments	20,573	-	1,050,401	1,041,085	2,112,059
Loans receivable	2,886,204	3,308,523	-	-	6,194,727
Capital assets:					
Non-depreciable	-	2,837,713	-	-	2,837,713
Depreciable, net	-	1,272,446	-	-	1,272,446
Total Assets	4,565,332	9,568,305	2,031,144	1,042,048	17,206,829
LIABILITIES					
Current Liabilities:					
Interest payable	-	178,683	-	-	178,683
Deposits payable	-	1,000	-	-	1,000
Due to other agencies	-	4,344,232	-	-	4,344,232
Due to other funds	-	12,559	-	-	12,559
Advances from other funds	-	871,819	-	-	871,819
Long-term debt:					
Due within one year	-	604,924	-	-	604,924
Due in more than one year	-	10,802,009	-	-	10,802,009
Total Liabilities	-	16,815,226	-	-	16,815,226
NET POSITION					
Net Position held in trust	4,565,332	(7,246,921)	2,031,144	1,042,048	391,603
Total Net Position	\$ 4,565,332	\$ (7,246,921)	\$ 2,031,144	\$ 1,042,048	\$ 391,603

**CITY OF LINCOLN**  
**Combining Statement of Changes in Fiduciary Net Position**  
**Private Purpose Trust Funds**  
**For the Year Ended June 30, 2014**

	Successor Agency to the Redevelopment Agency of the City of Lincoln				Total Private Purpose Trust Funds
	Low/Moderate Income Housing	Redevelopment Agency	Capital Projects	Debt Service	
<b>ADDITIONS</b>					
Property taxes	\$ -	\$ 972,945	\$ -	\$ -	\$ 972,945
Interest and investment income	95,970	144,106	14,549	12	254,637
Other contributions	-	125,000	-	-	125,000
<b>Total Additions</b>	<u>95,970</u>	<u>1,242,051</u>	<u>14,549</u>	<u>12</u>	<u>1,352,582</u>
<b>DEDUCTIONS</b>					
Program expenses	-	58,068	-	-	58,068
Interest expense	-	108,298	-	492,090	600,388
Depreciation	-	82,195	-	-	82,195
Amortization	-	5,076	-	-	5,076
<b>Total Deductions</b>	<u>-</u>	<u>253,637</u>	<u>-</u>	<u>492,090</u>	<u>745,727</u>
Transfers in	-	-	-	492,090	492,090
Transfers out	-	(492,090)	-	-	(492,090)
<b>Change in Net Position</b>	<u>95,970</u>	<u>496,324</u>	<u>14,549</u>	<u>12</u>	<u>606,855</u>
<b>Total Net Position - Beginning</b>	4,469,362	(7,870,346)	2,016,595	1,042,036	(342,353)
Prior period adjustment	-	127,101	-	-	127,101
<b>Total Net Position - Beginning, Restated</b>	<u>4,469,362</u>	<u>(7,743,245)</u>	<u>2,016,595</u>	<u>1,042,036</u>	<u>(215,252)</u>
<b>Total Net Position - Ending</b>	<u>\$ 4,565,332</u>	<u>\$ (7,246,921)</u>	<u>\$ 2,031,144</u>	<u>\$ 1,042,048</u>	<u>\$ 391,603</u>

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**CITY OF LINCOLN**  
**Combining Statement of Assets and Liabilities**  
**Agency Funds**  
**June 30, 2014**

	<b>Little League</b>	<b>Markham Ravine Neighborhood Trust</b>	<b>Lincoln Airpark 98-1</b>	<b>Twelve Bridges Series 2011</b>	<b>Foskett Ranch Series 2004-3</b>
<b>ASSETS</b>					
Cash and investments	\$ 41,892	\$ 7	\$ 439,334	\$ 6,584,838	\$ 433,619
Receivables:					
Interest	-	-	9	135	9
Special assessments	-	-	65	76,887	2,740
Restricted cash and investments	-	-	220,783	4,987,168	466,690
<b>Total Assets</b>	<u>\$ 41,892</u>	<u>\$ 7</u>	<u>\$ 660,191</u>	<u>\$ 11,649,028</u>	<u>\$ 903,058</u>
<b>LIABILITIES</b>					
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -
Deposits payable	-	-	-	-	-
Due to other agencies	-	-	-	-	-
Due to property owners	1,686	-	660,191	11,649,028	903,058
Unearned revenue	-	-	-	-	-
Agency obligations	40,206	7	-	-	-
<b>Total Liabilities</b>	<u>\$ 41,892</u>	<u>\$ 7</u>	<u>\$ 660,191</u>	<u>\$ 11,649,028</u>	<u>\$ 903,058</u>

<b>Lakeside CFD Series 2006</b>	<b>Special Tax Revenue Bond 2007 A&amp;B</b>	<b>CFD Sorrento Series 2009</b>	<b>CFD Sorrento 2005-1 Series 2013</b>	<b>Capital Improvements</b>	<b>Twelve Bridges Capital Projects</b>	<b>Highway 65 Capital Projects</b>	<b>Aiken Ranch Financial District Improvements</b>
\$ 619,667	\$ 11,149,568	\$ 493,304	\$ 3,322	\$ 358,673	\$ 237,605	\$ -	\$ 84,381
12	237	11	-	8	555	-	2
948	102,984	-	-	-	-	-	-
1,128,410	7,578,325	228,167	507,119	3,683,458	10,538,732	-	-
<u>\$ 1,749,037</u>	<u>\$ 18,831,114</u>	<u>\$ 721,482</u>	<u>\$ 510,441</u>	<u>\$ 4,042,139</u>	<u>\$10,776,892</u>	<u>\$ -</u>	<u>\$ 84,383</u>
\$ -	\$ -	\$ -	\$ 1,554	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-	77,442
-	-	-	-	-	-	101,914	-
1,723,523	18,831,114	698,587	450,728	-	-	-	-
-	-	-	-	-	-	-	-
25,514	-	22,895	58,159	4,042,139	10,776,892	(101,914)	6,941
<u>\$ 1,749,037</u>	<u>\$ 18,831,114</u>	<u>\$ 721,482</u>	<u>\$ 510,441</u>	<u>\$ 4,042,139</u>	<u>\$10,776,892</u>	<u>\$ -</u>	<u>\$ 84,383</u>

**CITY OF LINCOLN**  
**Combining Statement of Assets and Liabilities**  
**Agency Funds**  
**June 30, 2014**

	<b>Lakeside CFD Improvement Area</b>	<b>Lincoln Crossing Capital Projects</b>	<b>Foskett Ranch Series 2004-3</b>	<b>Totals</b>
<b>ASSETS</b>				
Cash and investments	\$ 92,210	\$ 598,050	\$ -	\$ 21,136,470
Receivables:				
Interest	2	137	-	1,117
Special assessments	-	-	-	183,624
Restricted cash and investments	1,990,625	2,353,983	217,658	33,901,118
<b>Total Assets</b>	<u>\$ 2,082,837</u>	<u>\$ 2,952,170</u>	<u>\$ 217,658</u>	<u>\$ 55,222,329</u>
<b>LIABILITIES</b>				
Accounts payable	\$ -	\$ -	\$ -	\$ 1,554
Deposits payable	84,980	-	-	162,422
Due to other agencies	457,667	-	-	559,581
Due to property owners	-	-	-	34,917,915
Unearned revenue	-	536,365	-	536,365
Agency obligations	1,540,190	2,415,805	217,658	19,044,492
<b>Total Liabilities</b>	<u>\$ 2,082,837</u>	<u>\$ 2,952,170</u>	<u>\$ 217,658</u>	<u>\$ 55,222,329</u>

Continued (Page 2 of 2)

**CITY OF LINCOLN**  
**Combining Statement of Changes in Assets and Liabilities**  
**Agency Funds**  
**For the Year Ended June 30, 2014**

	<u>Balance June 30, 2013</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance June 30, 2014</u>
<b>LITTLE LEAGUE</b>				
<b>ASSETS</b>				
Cash and investments	\$ 41,270	\$ 622	\$ -	\$ 41,892
Receivables:				
Interest	<u>2</u>	<u>-</u>	<u>(2)</u>	<u>-</u>
<b>Total Assets</b>	<u><u>\$ 41,272</u></u>	<u><u>\$ 622</u></u>	<u><u>\$ (2)</u></u>	<u><u>\$ 41,892</u></u>
<b>LIABILITIES</b>				
Due to property owners	\$ -	1,686	\$ -	1,686
Agency obligations	<u>41,272</u>	<u>-</u>	<u>(1,066)</u>	<u>40,206</u>
<b>Total Liabilities</b>	<u><u>\$ 41,272</u></u>	<u><u>\$ 1,686</u></u>	<u><u>\$ (1,066)</u></u>	<u><u>\$ 41,892</u></u>
<b>MARKHAM RAVINE NEIGHBORHOOD TRUST</b>				
<b>ASSETS</b>				
Cash and investments	\$ 7	\$ -	\$ -	\$ 7
<b>Total Assets</b>	<u><u>\$ 7</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 7</u></u>
<b>LIABILITIES</b>				
Agency obligations	\$ 7	\$ -	\$ -	\$ 7
<b>Total Liabilities</b>	<u><u>\$ 7</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 7</u></u>
<b>LINCOLN AIRPARK 98-1</b>				
<b>ASSETS</b>				
Cash and investments	\$ 424,680	\$ 14,654	\$ -	\$ 439,334
Receivables:				
Interest	23	-	(14)	9
Special assessments	2,031	-	(1,966)	65
Restricted cash and investments	<u>220,783</u>	<u>-</u>	<u>-</u>	<u>220,783</u>
<b>Total Assets</b>	<u><u>\$ 647,517</u></u>	<u><u>\$ 14,654</u></u>	<u><u>\$ (1,980)</u></u>	<u><u>\$ 660,191</u></u>
<b>LIABILITIES</b>				
Due to property owners	\$ 647,517	\$ 12,674	\$ -	\$ 660,191
<b>Total Liabilities</b>	<u><u>\$ 647,517</u></u>	<u><u>\$ 12,674</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 660,191</u></u>

Continued (Page 1 of 6)

**CITY OF LINCOLN**  
**Combining Statement of Changes in Assets and Liabilities**  
**Agency Funds**  
**For the Year Ended June 30, 2014**

	<u>Balance June 30, 2013</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance June 30, 2014</u>
<b>TWELVE BRIDGES SERIES 2001</b>				
<b>ASSETS</b>				
Restricted cash and investments	\$ 26	\$ -	\$ (26)	\$ -
<b>Total Assets</b>	<u>\$ 26</u>	<u>\$ -</u>	<u>\$ (26)</u>	<u>\$ -</u>
<b>LIABILITIES</b>				
Due to property owners	\$ 26	\$ -	\$ (26)	\$ -
<b>Total Liabilities</b>	<u>\$ 26</u>	<u>\$ -</u>	<u>\$ (26)</u>	<u>\$ -</u>
<b>TWELVE BRIDGES SERIES 2011</b>				
<b>ASSETS</b>				
Cash and investments	\$ 6,371,095	\$ 213,743	\$ -	\$ 6,584,838
Receivables:				
Interest	351	-	(216)	135
Special assessments	79,404	-	(2,517)	76,887
Restricted cash and investments	4,665,737	321,431	-	4,987,168
<b>Total Assets</b>	<u>\$ 11,116,587</u>	<u>\$ 535,174</u>	<u>\$ (2,733)</u>	<u>\$ 11,649,028</u>
<b>LIABILITIES</b>				
Due to property owners	\$ 11,116,587	\$ 532,441	\$ -	\$ 11,649,028
<b>Total Liabilities</b>	<u>\$ 11,116,587</u>	<u>\$ 532,441</u>	<u>\$ -</u>	<u>\$ 11,649,028</u>
<b>FOSKETT RANCH SERIES 2004-3</b>				
<b>ASSETS</b>				
Cash and investments	\$ 473,479	\$ -	\$ (39,860)	\$ 433,619
Receivables:				
Interest	26	-	(17)	9
Special assessments	5,162	-	(2,422)	2,740
Restricted cash and investments	409,190	57,500	-	466,690
<b>Total Assets</b>	<u>\$ 887,857</u>	<u>\$ 57,500</u>	<u>\$ (42,299)</u>	<u>\$ 903,058</u>
<b>LIABILITIES</b>				
Due to property owners	\$ 887,857	\$ 15,201	\$ -	\$ 903,058
<b>Total Liabilities</b>	<u>\$ 887,857</u>	<u>\$ 15,201</u>	<u>\$ -</u>	<u>\$ 903,058</u>

Continued (Page 2 of 6)



**CITY OF LINCOLN**  
**Combining Statement of Changes in Assets and Liabilities**  
**Agency Funds**  
**For the Year Ended June 30, 2014**

	<u>Balance June 30, 2013</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance June 30, 2014</u>
<b>LAKESIDE CFD SERIES 2006</b>				
<b>ASSETS</b>				
Cash and investments	\$ 352,961	\$ 266,706	\$ -	\$ 619,667
Receivables:				
Interest	19	-	(7)	12
Special assessments	1,014	-	(66)	948
Restricted cash and investments	647,892	480,518	-	1,128,410
<b>Total Assets</b>	<u>\$ 1,001,886</u>	<u>\$ 747,224</u>	<u>\$ (73)</u>	<u>\$ 1,749,037</u>
<b>LIABILITIES</b>				
Due to property owners	\$ 975,786	\$ 747,737	\$ -	\$ 1,723,523
Agency obligations	26,100	-	(586)	25,514
<b>Total Liabilities</b>	<u>\$ 1,001,886</u>	<u>\$ 747,737</u>	<u>\$ (586)</u>	<u>\$ 1,749,037</u>
<b>SPECIAL TAX REVENUE BOND 2007 A &amp; B</b>				
<b>ASSETS</b>				
Cash and investments	\$ 9,849,287	\$ 1,300,281	\$ -	\$ 11,149,568
Receivables:				
Interest	548	-	(311)	237
Special assessments	116,169	-	(13,185)	102,984
Restricted cash and investments	7,575,461	2,864	-	7,578,325
<b>Total Assets</b>	<u>\$ 17,541,465</u>	<u>\$ 1,303,145</u>	<u>\$ (13,496)</u>	<u>\$ 18,831,114</u>
<b>LIABILITIES</b>				
Accounts payable	\$ 2,800	\$ -	\$ (2,800)	\$ -
Due to property owners	17,538,665	1,292,449	-	18,831,114
<b>Total Liabilities</b>	<u>\$ 17,541,465</u>	<u>\$ 1,292,449</u>	<u>\$ (2,800)</u>	<u>\$ 18,831,114</u>
<b>CFD SORRENTO SERIES 2009</b>				
<b>ASSETS</b>				
Cash and investments	\$ 128,207	\$ 365,097	\$ -	\$ 493,304
Receivables:				
Interest	7	4	-	11
Special assessments	991	-	(991)	-
Restricted cash and investments	228,167	-	-	228,167
<b>Total Assets</b>	<u>\$ 357,372</u>	<u>\$ 365,101</u>	<u>\$ (991)</u>	<u>\$ 721,482</u>
<b>LIABILITIES</b>				
Due to property owners	\$ 334,772	\$ 363,815	\$ -	\$ 698,587
Agency obligations	22,600	295	-	22,895
<b>Total Liabilities</b>	<u>\$ 357,372</u>	<u>\$ 364,110</u>	<u>\$ -</u>	<u>\$ 721,482</u>

Continued (Page 3 of 6)

**CITY OF LINCOLN**  
**Combining Statement of Changes in Assets and Liabilities**  
**Agency Funds**  
**For the Year Ended June 30, 2014**

	<u>Balance June 30, 2013</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance June 30, 2014</u>
<b>CFD SORRENTO 2005-1 SERIES 2013</b>				
<b>ASSETS</b>				
Cash and investments	\$ -	\$ 3,322	\$ -	\$ 3,322
Restricted cash and investments	-	507,119	-	507,119
<b>Total Assets</b>	<u>\$ -</u>	<u>\$ 510,441</u>	<u>\$ -</u>	<u>\$ 510,441</u>
<b>LIABILITIES</b>				
Accounts payable	\$ -	\$ 1,554	\$ -	\$ 1,554
Due to property owners	-	450,728		450,728
Agency obligations	-	58,159	-	58,159
<b>Total Liabilities</b>	<u>\$ -</u>	<u>\$ 510,441</u>	<u>\$ -</u>	<u>\$ 510,441</u>
<b>CAPITAL IMPROVEMENTS</b>				
<b>ASSETS</b>				
Cash and investments	\$ 257,544	\$ 101,129	\$ -	\$ 358,673
Receivables:				
Interest	14	-	(6)	8
Restricted cash and investments	3,683,458	-	-	3,683,458
<b>Total Assets</b>	<u>\$ 3,941,016</u>	<u>\$ 101,129</u>	<u>\$ (6)</u>	<u>\$ 4,042,139</u>
<b>LIABILITIES</b>				
Agency obligations	\$ 3,941,016	\$ 101,123	\$ -	\$ 4,042,139
<b>Total Liabilities</b>	<u>\$ 3,941,016</u>	<u>\$ 101,123</u>	<u>\$ -</u>	<u>\$ 4,042,139</u>
<b>TWELVE BRIDGES CAPITAL PROJECTS</b>				
<b>ASSETS</b>				
Cash and investments	\$ 230,840	\$ 6,765	\$ -	\$ 237,605
Receivables:				
Interest	865	-	(310)	555
Restricted cash and investments	10,531,513	7,219	-	10,538,732
<b>Total Assets</b>	<u>\$ 10,763,218</u>	<u>\$ 13,984</u>	<u>\$ (310)</u>	<u>\$ 10,776,892</u>
<b>LIABILITIES</b>				
Accounts payable	\$ 167	\$ -	\$ (167)	\$ -
Agency obligations	10,763,051	13,841	-	10,776,892
<b>Total Liabilities</b>	<u>\$ 10,763,218</u>	<u>\$ 13,841</u>	<u>\$ (167)</u>	<u>\$ 10,776,892</u>

Continued (Page 4 of 6)

**CITY OF LINCOLN**  
**Combining Statement of Changes in Assets and Liabilities**  
**Agency Funds**  
**For the Year Ended June 30, 2014**

	<u>Balance June 30, 2013</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance June 30, 2014</u>
<b>HIGHWAY 65 CAPITAL PROJECTS</b>				
<b>ASSETS</b>				
Receivables:				
Interest	\$ 26	\$ -	\$ (26)	\$ -
<b>Total Assets</b>	<u>\$ 26</u>	<u>\$ -</u>	<u>\$ (26)</u>	<u>\$ -</u>
<b>LIABILITIES</b>				
Due to other agencies	\$ 103,162	\$ -	\$ (1,248)	\$ 101,914
Agency obligations	(103,136)	1,222	-	(101,914)
<b>Total Liabilities</b>	<u>\$ 26</u>	<u>\$ 1,222</u>	<u>\$ (1,248)</u>	<u>\$ -</u>
<b>AIKEN RANCH FINANCIAL DISTRICT IMPROVEMENTS</b>				
<b>ASSETS</b>				
Cash and investments	\$ 95,021	\$ -	\$ (10,640)	\$ 84,381
Receivables:				
Interest	5	-	(3)	2
Restricted cash and investments	294	-	(294)	-
<b>Total Assets</b>	<u>\$ 95,320</u>	<u>\$ -</u>	<u>\$ (10,937)</u>	<u>\$ 84,383</u>
<b>LIABILITIES</b>				
Deposits payable	\$ 89,699	-	(12,257)	\$ 77,442
Agency obligations	5,621	1,320	-	6,941
<b>Total Liabilities</b>	<u>\$ 95,320</u>	<u>\$ 1,320</u>	<u>\$ (12,257)</u>	<u>\$ 84,383</u>
<b>LAKESIDE CFD IMPROVEMENT AREA</b>				
<b>ASSETS</b>				
Cash and investments	\$ 90,844	\$ 1,366	\$ -	\$ 92,210
Receivables:				
Interest	5	-	(3)	2
Restricted cash and investments	184,805	1,805,820	-	1,990,625
<b>Total Assets</b>	<u>\$ 275,654</u>	<u>\$ 1,807,186</u>	<u>\$ (3)</u>	<u>\$ 2,082,837</u>
<b>LIABILITIES</b>				
Deposits payable	\$ 85,000	-	(20)	\$ 84,980
Due to other agencies	-	457,667	-	457,667
Agency obligations	190,654	1,349,536	-	1,540,190
<b>Total Liabilities</b>	<u>\$ 275,654</u>	<u>\$ 1,807,203</u>	<u>\$ (20)</u>	<u>\$ 2,082,837</u>

Continued (Page 5 of 6)

**CITY OF LINCOLN**  
**Combining Statement of Changes in Assets and Liabilities**  
**Agency Funds**  
**For the Year Ended June 30, 2014**

	<u>Balance June 30, 2013</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance June 30, 2014</u>
<b>LINCOLN CROSSING CAPITAL PROJECTS</b>				
<b>ASSETS</b>				
Cash and investments	\$ 624,967	\$ -	\$ (26,917)	\$ 598,050
Receivables:				
Interest	200	-	(63)	137
Due from other funds	103,162	-	(103,162)	-
Restricted cash and investments	2,352,416	1,567	-	2,353,983
<b>Total Assets</b>	<u>\$ 3,080,745</u>	<u>\$ 1,567</u>	<u>\$ (130,142)</u>	<u>\$ 2,952,170</u>
<b>LIABILITIES</b>				
Accounts payable	\$ 138,655	\$ -	\$ (138,655)	\$ -
Unearned revenue	536,365	-	-	536,365
Agency obligations	2,405,725	10,080	-	2,415,805
<b>Total Liabilities</b>	<u>\$ 3,080,745</u>	<u>\$ 10,080</u>	<u>\$ (138,655)</u>	<u>\$ 2,952,170</u>
<b>FOSKETT RANCH SERIES 2004-3</b>				
<b>ASSETS</b>				
Restricted cash and investments	\$ 217,658	\$ -	\$ -	\$ 217,658
<b>Total Assets</b>	<u>\$ 217,658</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 217,658</u>
<b>LIABILITIES</b>				
Agency obligations	217,658	-	-	217,658
<b>Total Liabilities</b>	<u>\$ 217,658</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 217,658</u>
<b>TOTAL AGENCY FUNDS</b>				
<b>ASSETS</b>				
Cash and investments	\$ 18,940,202	\$ 2,273,685	\$ (77,417)	\$ 21,136,470
Receivables:				
Interest	2,091	4	(978)	1,117
Special assessments	204,771	-	(21,147)	183,624
Due from other funds	103,162	-	(103,162)	-
Restricted cash and investments	30,717,400	3,184,038	(320)	33,901,118
<b>Total Assets</b>	<u>\$ 49,967,626</u>	<u>\$ 5,457,727</u>	<u>\$ (203,024)</u>	<u>\$ 55,222,329</u>
<b>LIABILITIES</b>				
Accounts payable	\$ 141,622	\$ 1,554	\$ (141,622)	\$ 1,554
Deposits payable	174,699	-	(12,277)	162,422
Due to other agencies	103,162	457,667	(1,248)	559,581
Due to property owners	31,501,210	3,416,731	(26)	34,917,915
Unearned revenue	536,365	-	-	536,365
Agency obligations	17,510,568	1,535,576	(1,652)	19,044,492
<b>Total Liabilities</b>	<u>\$ 49,967,626</u>	<u>\$ 5,411,528</u>	<u>\$ (156,825)</u>	<u>\$ 55,222,329</u>

Continued (Page 6 of 6)

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## STATISTICAL SECTION

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## **CITY OF LINCOLN**

### **Statistical Section**

This part of the City's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the City's overall financial health.

#### **Financial Trends**

These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.

#### **Revenue Capacity**

These schedules contain information to help the reader assess the City's most significant local revenue source, property taxes.

#### **Debt Capacity**

These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.

#### **Demographic and Economic Information**

These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place and to help make comparisons over time and with other governments.

#### **Operating Information**

These schedules contain service and infrastructure data to help the reader understand how the City's financial information relates to the services the City provides and the activities it performs.

Sources: Unless otherwise stated, the information in this section is derived from the comprehensive annual financial reports for the relevant year.

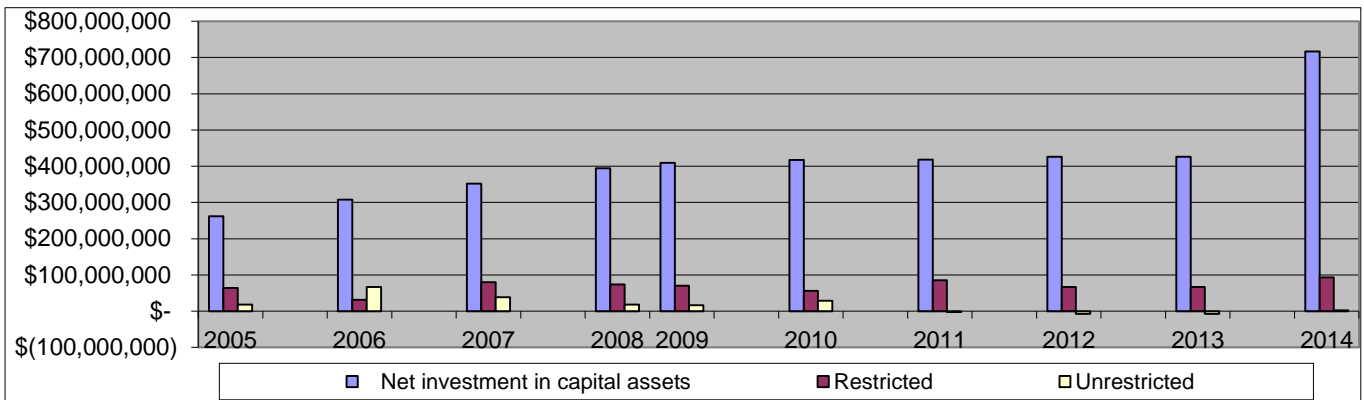
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**CITY OF LINCOLN**  
**Net Position by Component**  
**Last Ten Fiscal Years**  
**(Full Accrual Basis of Accounting)**

	Fiscal Year Ended June 30,			
	2005	2006	2007	2008
Governmental Activities				
Net investment in capital assets	\$ 182,524,779	\$ 228,636,971	\$ 261,793,043	\$ 294,937,121
Restricted	63,406,487	30,269,065	80,161,807	73,577,655
Unrestricted	27,325,064	55,639,215	25,892,420	7,649,218
Total Governmental Activities Net Position	<u>\$ 273,256,330</u>	<u>\$ 314,545,251</u>	<u>\$ 367,847,270</u>	<u>\$ 376,163,994</u>
Business-type Activities				
Net investment in capital assets	\$ 78,929,040	\$ 78,971,667	\$ 89,880,781	\$ 98,927,946
Restricted	863,288	805,637	-	-
Unrestricted	(8,731,274)	10,805,714	12,768,350	10,823,306
Total Business-Type Activities Net Position	<u>\$ 71,061,054</u>	<u>\$ 90,583,018</u>	<u>\$ 102,649,131</u>	<u>\$ 109,751,252</u>
Primary Government				
Net investment in capital assets	\$ 261,453,819	\$ 307,608,638	\$ 351,673,824	\$ 393,865,067
Restricted	64,269,775	31,074,702	80,161,807	73,577,655
Unrestricted	18,593,790	66,445,029	38,660,770	18,472,524
Total Primary Government Net Position	<u>\$ 344,317,384</u>	<u>\$ 405,128,369</u>	<u>\$ 470,496,401</u>	<u>\$ 485,915,246</u>
	<i>% change from prior year</i>	<i>17.7%</i>	<i>16.1%</i>	<i>3.3%</i>



<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>
\$ 308,606,157	\$ 316,134,425	\$ 316,648,571	\$ 325,101,751	\$ 325,101,751	\$ 367,327,505
70,016,244	56,455,609	85,179,081	66,398,405	66,398,405	78,880,674
5,219,572	16,288,802	(17,608,936)	(26,688,143)	(26,688,143)	(16,019,760)
<u>\$ 383,841,973</u>	<u>\$ 388,878,836</u>	<u>\$ 384,218,716</u>	<u>\$ 364,812,013</u>	<u>\$ 364,812,013</u>	<u>\$ 430,188,419</u>
\$ 100,630,330	\$ 101,091,339	\$ 101,243,804	\$ 101,133,414	\$ 101,133,414	\$ 349,214,909
-	-	-	-	-	14,406,184
11,443,010	12,439,997	15,806,202	18,834,287	18,834,287	18,376,045
<u>\$ 112,073,340</u>	<u>\$ 113,531,336</u>	<u>\$ 117,050,006</u>	<u>\$ 119,967,701</u>	<u>\$ 119,967,701</u>	<u>\$ 381,997,138</u>
\$ 409,236,487	\$ 417,225,764	\$ 417,892,375	\$ 426,235,165	\$ 426,235,165	\$ 716,542,414
70,016,244	56,455,609	85,179,081	66,398,405	66,398,405	93,286,858
16,662,582	28,728,799	(1,802,734)	(7,853,856)	(7,853,856)	2,356,285
<u>\$ 495,915,313</u>	<u>\$ 502,410,172</u>	<u>\$ 501,268,722</u>	<u>\$ 484,779,714</u>	<u>\$ 484,779,714</u>	<u>\$ 812,185,557</u>
2.1%	1.3%	-0.2%	-3.3%	0.0%	67.5%

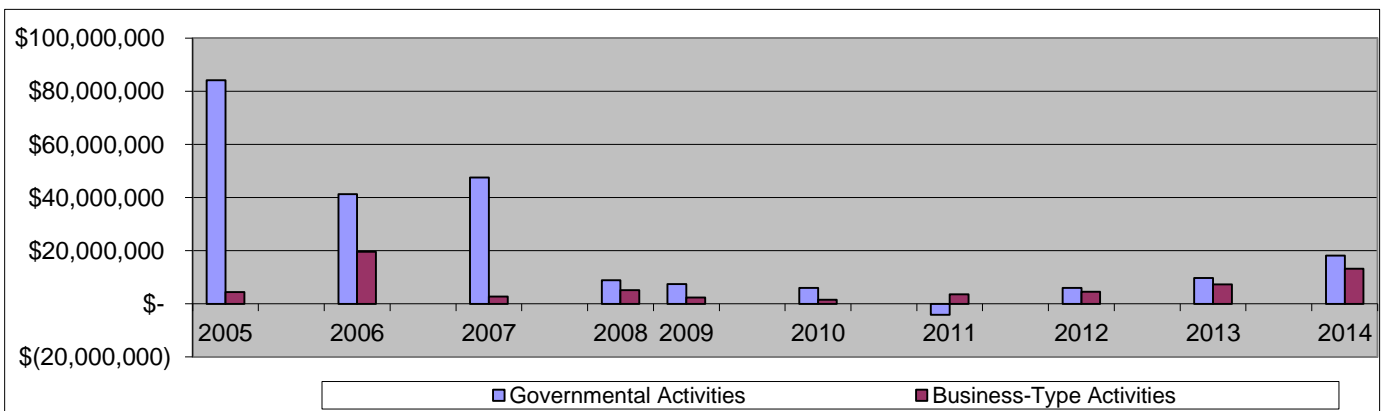
**CITY OF LINCOLN**  
**Changes in Net Position**  
**Last Ten Fiscal Years**  
**(Full Accrual Basis of Accounting)**

	Fiscal Year Ended June 30,			
	2005	2006	2007	2008
<b>Expenses</b>				
Governmental Activities:				
General government	\$ 3,887,293	\$ 4,183,295	\$ 5,934,488	\$ 3,338,046
Public safety	5,694,175	7,405,303	9,321,876	11,021,601
Public works and facilities	12,742,707	14,853,782	11,648,924	12,308,543
Culture and recreation	563,976	679,296	1,213,474	1,137,484
Urban redevelopment and housing	869,174	507,643	684,389	872,134
Education	249,649	381,966	474,949	990,075
Interest on long-term debt	2,981,349	1,254,426	2,363,861	2,284,708
Total Governmental Activities	26,988,323	29,265,711	31,641,961	31,952,591
Business-Type Activities:				
Water	5,316,115	7,062,409	12,573,785	9,251,012
Wastewater operations	4,743,885	4,822,193	6,122,532	5,231,985
Solid waste	2,929,347	3,481,344	3,668,061	4,211,966
Airport	1,287,797	575,464	2,137,445	2,279,738
Transit	531,887	413,238	863,988	1,035,816
Lincoln Public Financing Authority	440,307	1,799,468	-	-
Total Business-Type Activities	15,249,338	18,154,116	25,365,811	22,010,517
Total Primary Government Expenses	\$ 42,237,661	\$ 47,419,827	\$ 57,007,772	\$ 53,963,108
<b>Program Revenues</b>				
Governmental Activities:				
Charges for Services:				
General government	\$ 4,008,831	\$ 4,666,450	\$ 395,839	\$ 165,923
Public Safety	104,023	111,986	1,163,497	668,673
Public works and facilities	17,467,170	38,941,713	15,474,292	6,912,437
Culture and recreation	-	-	3,011,148	1,386,841
Urban redevelopment and housing	-	-	-	5,600
Education	-	-	332,073	99,604
Operating Grants and Contributions	1,684,007	4,757,822	4,886,915	4,740,064
Capital Grants and Contributions	68,637,504	956	19,200,884	4,417,019
Total Governmental Activities Program Revenues	91,901,535	48,478,927	44,464,648	18,396,161
Business-Type Activities:				
Charges for Services:				
Water	6,337,050	10,656,301	22,246,238	13,238,191
Wastewater operations	5,078,313	14,846,171	4,199,846	5,677,253
Solid waste	4,307,425	6,354,465	4,542,292	4,253,409
Airport	1,268,052	1,438,133	1,493,308	1,600,082
Transit	44,724	47,388	52,454	44,745
Operating Grants and Contributions	272,850	1,115,614	1,420,586	1,775,927
Capital Grants and Contributions	-	-	7,144,753	3,229,166
Total Business-Type Activities Program Revenues	17,308,414	34,458,072	41,099,477	29,818,773
Total Primary Government Program Revenues	\$ 109,209,949	\$ 82,936,999	\$ 85,564,125	\$ 48,214,934

2009	2010	2011	2012	2013	2014
\$ 3,103,629	\$ 2,672,943	\$ 2,816,650	\$ 2,574,813	\$ 2,583,219	\$ 2,534,252
12,158,513	10,847,388	10,484,408	9,006,804	8,973,076	8,676,336
7,931,581	13,720,906	11,295,372	10,423,827	8,083,773	7,502,426
1,110,552	1,059,559	870,049	591,312	743,858	714,789
842,254	1,979,294	1,093,409	178,613	666,038	512,756
1,162,534	877,314	712,886	486,019	420,772	559,449
2,079,556	1,932,458	1,884,470	1,361,643	1,074,815	1,073,464
28,388,619	33,089,862	29,157,244	24,623,031	22,545,551	21,573,472
9,561,253	9,330,009	8,798,950	7,821,110	8,410,782	9,626,761
5,491,924	5,915,385	4,920,695	5,144,059	10,647,682	7,567,116
4,380,483	4,427,701	3,952,669	4,369,551	4,460,008	4,576,457
2,191,656	2,071,412	1,993,639	939,595	2,009,793	2,122,836
1,033,824	1,075,578	1,145,903	1,818,658	979,330	855,631
-	-	-	-	-	-
22,659,140	22,820,085	20,811,856	20,092,973	26,507,595	24,748,801
\$ 51,047,759	\$ 55,909,947	\$ 49,969,100	\$ 44,716,004	\$ 49,053,146	\$ 46,322,273
\$ 161,624	\$ 3,787,376	\$ 126,476	\$ 586,097	\$ 1,222,290	\$ 1,970,636
552,752	592,754	348,360	260,351	555,899	634,161
5,436,917	1,549,410	3,636,128	4,436,027	10,939,600	10,979,608
1,260,374	1,048,639	959,300	918,670	1,506,132	971,265
7,920	174,016	8,920	-	-	-
37,747	55,307	22,429	38,321	37,835	159,415
10,130,229	11,351,298	4,129,716	3,455,701	3,614,352	3,248,047
1,399,632	3,396,988	151,718	1,680,280	881,562	7,957,869
18,987,195	21,955,788	9,383,047	11,375,447	18,757,670	25,921,001
11,699,450	11,164,332	10,002,881	11,000,418	10,221,213	11,018,047
6,427,678	6,785,503	7,084,463	7,220,843	7,237,746	7,297,551
4,838,459	4,842,441	4,843,540	4,848,401	5,025,078	5,272,082
1,361,802	1,294,419	1,244,251	1,449,562	1,558,585	1,785,214
31,741	27,941	43,255	51,090	51,068	47,195
652,139	1,195,343	1,428,826	1,142,591	6,154,480	1,549,590
1,192,629	896,587	480,434	543,189	2,641,668	5,590,940
26,203,898	26,206,566	25,127,650	26,256,094	32,889,838	32,560,619
\$ 45,191,093	\$ 48,162,354	\$ 34,510,697	\$ 37,631,541	\$ 51,647,508	\$ 58,481,620

**CITY OF LINCOLN**  
**Changes in Net Position**  
**Last Ten Fiscal Years**  
**(Full Accrual Basis of Accounting)**

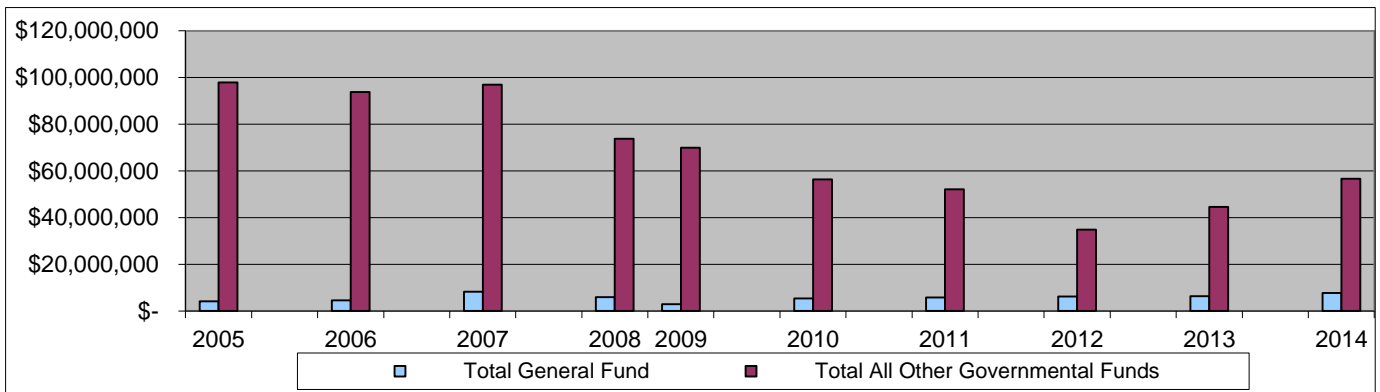
	Fiscal Year Ended June 30,			
	2005	2006	2007	2008
<b>Net (Expense)/Revenue</b>				
Governmental Activities	\$ 64,913,212	\$ 19,213,216	\$ 12,822,687	\$ (13,556,430)
Business-Type Activities	2,059,076	16,303,956	15,733,666	7,808,256
<b>Total Primary Government Net Expense</b>	<b>\$ 66,972,288</b>	<b>\$ 35,517,172</b>	<b>\$ 28,556,353</b>	<b>\$ (5,748,174)</b>
<b>General Revenues and Other Changes in Net Position</b>				
Governmental Activities				
Taxes:				
Property taxes	\$ 5,492,387	\$ 7,063,246	\$ 11,104,412	\$ 11,911,470
Sales and use taxes	1,428,148	1,667,402	1,944,926	2,226,163
Other local taxes	2,970,967	3,478,469	770,972	629,413
Interest and investment earnings	3,252,166	4,460,701	5,767,170	3,798,947
Unrealized loss on investments	(338,046)	(1,957,729)	-	-
Licenses and permits	5,813,087	5,746,208	-	-
Miscellaneous	1,665,106	1,579,099	151,349	390,049
Gain on sale of capital assets	-	-	-	-
Transfers	(1,102,741)	-	14,891,647	3,511,923
Extraordinary gain	-	-	-	-
<b>Total Governmental Activities</b>	<b>19,181,074</b>	<b>22,037,396</b>	<b>34,630,476</b>	<b>22,467,965</b>
Business-Type Activities				
Taxes:				
Property taxes	83,167	62,027	52,030	64,113
Sales and use taxes	-	-	-	-
Business taxes	242,826	1,970,013	-	-
Fines and penalties	-	-	-	-
Interest and investment earnings	923,091	1,161,867	731,368	573,296
Miscellaneous	41,889	27,816	1,100,621	251,704
Gain on sale of capital assets	-	-	-	-
Transfers	1,102,741	-	(14,891,647)	(3,511,923)
<b>Total Business-Type Activities</b>	<b>2,393,714</b>	<b>3,221,723</b>	<b>(13,007,628)</b>	<b>(2,622,810)</b>
<b>Total Primary Government</b>	<b>\$ 21,574,788</b>	<b>\$ 25,259,119</b>	<b>\$ 21,622,848</b>	<b>\$ 19,845,155</b>
<b>Change in Net Position</b>				
Governmental Activities	\$ 84,094,286	\$ 41,250,612	\$ 47,453,163	\$ 8,911,535
Business-Type Activities	4,452,790	19,525,679	2,726,038	5,185,446
<b>Total Primary Government</b>	<b>\$ 88,547,076</b>	<b>\$ 60,776,291</b>	<b>\$ 50,179,201</b>	<b>\$ 14,096,981</b>



<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>
\$ (9,401,424)	\$ (11,134,074)	\$ (19,774,197)	\$ (13,247,584)	\$ (3,787,881)	\$ 4,347,529
3,544,758	3,386,481	4,315,794	6,163,121	6,382,243	7,811,818
<u>\$ (5,856,666)</u>	<u>\$ (7,747,593)</u>	<u>\$ (15,458,403)</u>	<u>\$ (7,084,463)</u>	<u>\$ 2,594,362</u>	<u>\$ 12,159,347</u>
\$ 11,035,176	\$ 9,628,569	\$ 9,742,282	\$ 8,309,198	\$ 7,511,360	\$ 7,668,875
1,905,089	1,971,789	1,968,627	2,218,295	2,252,003	2,419,729
635,042	988,427	849,872	990,613	975,649	191,278
995,126	2,261,095	1,121,897	733,848	565,913	1,208,941
-	-	-	-	-	-
-	-	-	-	-	-
219,821	192,290	557,398	478,529	1,717,469	401,427
-	-	-	-	-	717,066
1,981,900	2,040,473	1,357,294	2,195,637	525,888	1,159,153
-	-	-	4,329,643	-	-
<u>16,772,154</u>	<u>17,082,643</u>	<u>15,597,370</u>	<u>19,255,763</u>	<u>13,548,282</u>	<u>13,766,469</u>
91,060	68,526	40,349	43,204	47,684	-
-	-	-	-	-	850,659
-	-	-	-	-	-
-	-	-	-	-	-
450,245	(193,548)	335,266	282,286	262,287	550,349
217,925	237,010	184,555	209,841	1,079,475	168,876
-	-	-	-	-	4,935,797
<u>(1,981,900)</u>	<u>(2,040,473)</u>	<u>(1,357,294)</u>	<u>(2,195,637)</u>	<u>(525,888)</u>	<u>(1,159,153)</u>
<u>(1,222,670)</u>	<u>(1,928,485)</u>	<u>(797,124)</u>	<u>(1,660,306)</u>	<u>863,558</u>	<u>5,346,528</u>
<u>\$ 15,549,484</u>	<u>\$ 15,154,158</u>	<u>\$ 14,800,246</u>	<u>\$ 17,595,457</u>	<u>\$ 14,411,840</u>	<u>\$ 19,112,997</u>
\$ 7,370,730	\$ 5,948,569	\$ (4,176,827)	\$ 6,008,179	\$ 9,760,401	\$ 18,113,998
2,322,088	1,457,996	3,518,670	4,502,815	7,245,801	13,158,346
<u>\$ 9,692,818</u>	<u>\$ 7,406,565</u>	<u>\$ (658,157)</u>	<u>\$ 10,510,994</u>	<u>\$ 17,006,202</u>	<u>\$ 31,272,344</u>

**CITY OF LINCOLN**  
**Fund Balances - Government Funds**  
**Last Ten Fiscal Years**  
**(Modified Accrual Basis of Accounting)**

	Fiscal Year Ended June 30,			
	2005	2006	2007	2008
<b>General Fund</b>				
Reserved and Designated	\$ -	\$ 1,460,000	\$ 3,059,045	\$ 3,286,125
Unreserved	4,180,936	3,108,506	5,256,512	2,688,528
Nonspendable	-	-	-	-
Restricted	-	-	-	-
Committed	-	-	-	-
Unassigned	-	-	-	-
Total General Fund	<u>\$ 4,180,936</u>	<u>\$ 4,568,506</u>	<u>\$ 8,315,557</u>	<u>\$ 5,974,653</u>
<b>All Other Governmental Funds</b>				
Reserved	\$ 73,214,240	\$ 44,532,011	\$ 42,354,064	\$ 47,210,444
Unreserved, reported in				
Special revenue funds	23,159,335	48,927,286	18,105,451	(8,090,513)
Capital project funds	1,094,345	(88,721)	36,340,919	34,508,966
Permanent funds	399,657	411,973	122,995	134,277
Nonspendable	-	-	-	-
Restricted	-	-	-	-
Committed	-	-	-	-
Assigned	-	-	-	-
Unassigned	-	-	-	-
Total All Other Governmental Funds	<u>\$ 97,867,577</u>	<u>\$ 93,782,549</u>	<u>\$ 96,923,429</u>	<u>\$ 73,763,174</u>



**Notes:**

- (a) The City implemented the provision of GASB Statement 54 in fiscal year 2011, and years prior to 2011 have not been restated to conform with the new presentation.



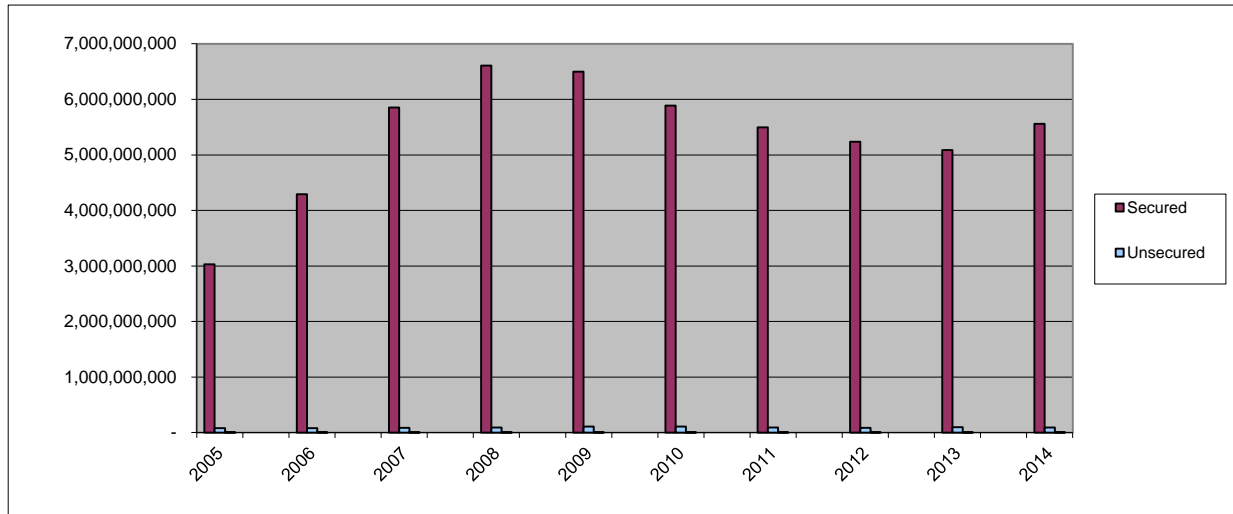
<b>2009</b>	<b>2010</b>	<b>2011 (a)</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>
\$ 2,880,860	\$ 2,880,860	\$ -	\$ -	\$ -	\$ -
-	2,540,251	-	-	-	-
-	-	149,424	100,250	613,502	136,582
-	-	86,096	-	-	-
-	-	1,460,000	2,524,334	2,050,459	3,703,541
-	-	4,132,105	3,533,294	3,715,005	3,819,021
<u>\$ 2,880,860</u>	<u>\$ 5,421,111</u>	<u>\$ 5,827,625</u>	<u>\$ 6,157,878</u>	<u>\$ 6,378,966</u>	<u>\$ 7,659,144</u>
\$ 47,888,812	\$ 43,364,354	\$ -	\$ -	\$ -	\$ -
(11,049,197)	(16,545,750)	-	-	-	-
32,934,551	29,397,051	-	-	-	-
146,506	144,382	-	-	-	-
-	-	35,794,414	33,014,706	32,810,398	31,238,435
-	-	51,397,385	33,380,699	33,745,233	41,992,206
-	-	2,124,330	-	-	-
-	-	-	-	5,214,476	5,650,033
-	-	(37,233,469)	(31,519,259)	(27,173,388)	(22,256,636)
<u>\$ 69,920,672</u>	<u>\$ 56,360,037</u>	<u>\$ 52,082,660</u>	<u>\$ 34,876,146</u>	<u>\$ 44,596,719</u>	<u>\$ 56,624,038</u>

**CITY OF LINCOLN**  
**Changes in Fund Balances - Government Funds**  
**Last Ten Fiscal Years**  
**(Modified Accrual Basis of Accounting)**

	Fiscal Year Ended June 30,			
	2005	2006	2007	2008
<b>Revenues</b>				
Taxes and assessments	\$ 9,891,502	\$ 12,209,116	\$ 13,896,857	\$ 14,863,744
Licenses and permits	5,813,087	5,746,207	3,017,918	1,593,525
Fines and penalties	104,023	111,986	182,577	214,105
Use of money and property	2,909,573	2,492,190	6,006,258	3,970,684
Intergovernmental	1,830,063	4,758,778	7,024,618	6,995,606
Charges for services	21,475,998	43,608,163	17,622,446	7,919,761
Contributions from property owners	68,167,378	-	12,306,766	-
Other revenue	1,989,187	1,578,004	289,377	683,415
Total Revenues	112,180,811	70,504,444	60,346,817	36,240,840
<b>Expenditures</b>				
Current				
General government	3,885,911	3,988,242	5,844,044	3,242,267
Public safety	5,645,483	7,335,530	9,070,904	10,582,460
Public works and facilities	12,243,500	14,028,439	11,217,289	11,894,916
Culture and recreation	563,976	671,955	1,208,758	1,124,925
Urban redevelopment and housing	869,174	494,378	635,104	740,714
Education	249,649	378,308	474,349	976,424
Debt Service				
Principal	270,000	325,000	810,000	840,000
Interest and bond issuance costs	2,832,519	1,258,015	2,434,880	2,288,246
Capital Outlay	79,315,770	45,774,837	58,547,303	33,675,842
Total Expenditures	105,875,982	74,254,704	90,242,631	65,365,794
Excess (Deficiency) of Revenues Over Expenditures	6,304,829	(3,750,260)	(29,895,814)	(29,124,954)
<b>Other Financing Sources (Uses)</b>				
Bond proceeds	10,642,683	-	14,446,543	-
Transfers in	2,405,967	1,974,419	44,122,301	9,129,680
Transfers out	(2,405,967)	(1,959,926)	(29,254,097)	(5,617,757)
Proceeds from sale of capital assets	-	-	-	-
Debt proceeds	-	-	-	-
Total Other Financing Sources (Uses)	10,642,683	14,493	29,314,747	3,511,923
Net Change in fund balance before prior period adjustments and extraordinary items	16,947,512	(3,735,767)	(581,067)	(25,613,031)
Prior period adjustment	4,088,654	38,309	7,468,997	111,872
Extraordinary item				
Assets transferred to/liabilities assumed by Successor Agency/Housing Successor	-	-	-	-
Net Change in Fund Balance	\$ 21,036,166	\$ (3,697,458)	\$ 6,887,930	\$ (25,501,159)
Debt service as a percentage of noncapital expenditures	11.7%	5.6%	10.2%	9.9%

2009	2010	2011	2012	2013	2014
\$ 13,613,879	\$ 12,573,987	\$ 13,018,727	\$ 14,494,396	\$ 14,136,484	\$ 13,492,395
1,235,966	7,766,334	1,092,144	655,747	1,342,696	1,565,818
207,324	172,751	129,884	115,085	79,606	48,509
1,377,206	2,239,808	1,141,512	805,847	563,366	1,197,057
8,812,824	5,848,961	3,268,014	6,294,565	4,697,951	3,526,877
6,544,271	6,384,352	4,599,914	2,476,782	9,904,756	10,787,334
-	1,634,852	-	-	-	-
2,291,103	539,519	695,524	478,529	1,717,469	401,427
34,082,573	37,160,564	23,945,719	25,320,951	32,442,328	31,019,417
3,008,223	2,598,301	2,740,006	2,549,256	2,574,534	2,321,201
11,431,573	10,192,862	9,746,718	8,478,042	8,723,479	8,116,557
6,979,895	12,119,189	8,942,799	7,691,014	5,223,957	4,819,786
1,063,421	978,406	812,219	571,875	741,632	646,189
740,432	1,938,707	666,240	144,653	665,834	512,755
1,159,032	876,907	712,472	490,327	418,188	558,740
850,000	1,140,000	1,150,000	1,180,000	700,000	771,784
2,084,218	1,927,946	1,893,176	1,555,009	1,083,203	1,082,887
15,683,974	8,442,931	2,690,016	2,091,332	2,706,542	4,049,046
43,000,768	40,215,249	29,353,646	24,751,508	22,837,369	22,878,945
(8,918,195)	(3,054,685)	(5,407,927)	569,443	9,604,959	8,140,472
-	-	-	-	-	-
6,661,106	12,335,882	9,663,693	4,930,996	3,808,876	7,833,725
(4,679,206)	(10,197,886)	(8,126,629)	(2,735,359)	(3,591,758)	(3,601,414)
-	-	-	-	-	726,942
-	-	-	-	-	568,873
1,981,900	2,137,996	1,537,064	2,195,637	217,118	5,528,126
(6,936,295)	(916,689)	(3,870,863)	2,765,080	9,822,077	13,668,598
-	(10,103,695)	-	(13,087,464)	119,584	(361,101)
-	-	-	(6,553,877)	(6,553,877)	-
\$ (6,936,295)	\$ (11,020,384)	\$ (3,870,863)	\$ (16,876,261)	\$ 3,387,784	\$ 13,307,497
10.7%	9.7%	11.4%	12.1%	8.9%	9.8%

**CITY OF LINCOLN**  
**Assessed Value and Estimated Actual Value of Taxable Property**  
**Last Ten Fiscal Years**



Fiscal Year Ending June 30	Secured	Unsecured	SBE Nonunitary	Taxable Assessed Value	% Change	Direct Rate
2005	3,031,189,192	82,783,338	640,042	3,114,612,572	34.147%	1.201%
2006	4,289,856,605	81,117,909	623,600	4,371,598,114	40.358%	1.025%
2007	5,850,690,035	84,252,015	586,271	5,935,528,321	35.775%	1.012%
2008	6,608,202,986	94,844,051	413,659	6,703,460,696	12.938%	1.013%
2009	6,498,781,868	106,544,242	252,489	6,605,578,599	-1.460%	1.147%
2010	5,885,076,051	109,793,652	250,900	5,995,120,603	-9.242%	1.170%
2011	5,492,966,752	92,626,121	250,900	5,585,843,773	-6.827%	1.021%
2012	5,236,867,717	86,074,985	250,900	5,323,193,602	-4.702%	1.026%
2013	5,086,007,045	96,083,909	250,900	5,182,341,854	-2.646%	1.026%
2014	5,558,822,669	91,995,204	197,100	5,651,014,973	9.044%	1.026%

n/a - information is not available

**Notes:**

In 1978, the voters of the State of California passed Proposition 13 which limited property taxes to a maximum rate of 1% based upon the assessed value of the property being taxed. Each year, the assessed value of property tax may be increased by an "inflation factor" (limited to a maximum increase of 2%). With few exceptions, property is only reassessed at the time that it is sold to a new owner. At that point, the new assessed value is reassessed at the purchase price of the property sold. The assessed valuation data shown above represents the only data currently available with respect to the actual market value of the taxable property and is subject to the limitations described above.

**Source:** California Municipal Statistics and Placer County Auditor-Controller

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**CITY OF LINCOLN**  
**Property Tax Rates - All Overlapping Governments**  
**Last Ten Fiscal Years**

	Fiscal Year Ended June 30,			
	2005	2006	2007	2008
City of Lincoln				
General purpose	1.000	1.000	1.000	1.000
	1.000	1.000	1.000	1.000
Western Placer Unified School District	0.198	0.015	0.012	0.013
Placer County Water Agency Zone 1	0.003	0.010	-	-
	1.201	1.025	1.012	1.013

**Notes:**

(1) The above tax rates are applied per \$100 of assessed valuation.

(2) In 1978, California voters passed Proposition 13 which sets the property tax rate at a 1.00% fixed amount. This 1.00% is shared by all taxing agencies for which the subject property resides within. In addition to the 1.00% fixed amount, property owners are charged taxes as a percentage of assessed property values for the payment of school district bonds.

**Source:** California Municipal Statistics

2009	2010	2011	2012	2013	2014
1.000	1.000	1.000	1.000	1.000	1.000
1.000	1.000	1.000	1.000	1.000	1.000
0.147	0.170	0.021	0.026	0.026	0.026
-	-	-	-	-	-
1.147	1.170	1.021	1.026	1.026	1.026

**CITY OF LINCOLN**  
**Principal Property Tax Payers**  
**Current Year and Nine Years Ago**

		<b>2013-14</b>		
Property Owner	Primary Land Use	Rank	Taxable Assessed Value	% of Total City Taxable Assessed Value
Sierra Pacific Industries	Industrial	1	\$ 50,522,644	0.91%
OK&B	Warehouse	2	27,390,435	0.49%
Elliot Homes Inc.	Residential Properties	3	20,503,760	0.37%
Target Corporation	Commercial Store	4	17,575,663	0.32%
Auburn Creek Investors	Apartments	5	16,513,584	0.30%
Shadowbriar Investments Inc.	Undeveloped	6	15,817,893	0.28%
Safeway Inc.	Commercial Store	7	15,681,291	0.28%
JPS Development LLC	Shopping Center	8	15,598,131	0.28%
Lawford #12 Partners Ltd.	Residential Properties	9	14,439,425	0.26%
Meritage Homes of California Inc.	Residential Properties	10	13,826,539	0.25%
			<u>\$ 207,869,365</u>	<u>3.74%</u>
2013-2014 Local Secured Assessed Valuation:			<u>\$ 5,558,822,669</u>	

		<b>2004-05</b>		
Property Owner	Primary Land Use	Rank	Taxable Assessed Value	% of Total City Taxable Assessed Value
Dell Webb California Corporation	Residential Properties	1	\$ 185,812,216	6.13%
Buzz Oates Enterprises	Industrial	2	61,642,572	2.03%
LBL Suncal Lincoln Crossing LLC	Residential Properties	3	44,906,582	1.48%
Sierra Pacific Industries	Industrial	4	35,797,080	1.18%
Auburn Creek Investors	Apartments	5	14,342,337	0.47%
JTS Communities Inc.	Residential Properties	6	13,888,903	0.46%
Safeway Inc.	Commercial Store	7	12,550,990	0.41%
Richmond American Homes of California, Inc.	Residential Properties	8	11,900,850	0.39%
Centex Homes	Residential Properties	9	11,776,431	0.39%
Coherent, Inc.	Industrial	10	10,661,394	0.35%
			<u>\$ 403,279,355</u>	<u>13.29%</u>
2004-2005 Local Secured Assessed Valuation:			<u>\$ 3,031,189,192</u>	

**Source:** California Municipal Statistics



**CITY OF LINCOLN**  
**Property Tax Levies and Collections**  
**Last Ten Fiscal Years**

<b>Fiscal Year</b>	<b>Taxes Levied for the Fiscal Year</b>	<b>Collections within the Fiscal Year of the Levy</b>	
		<b>Amount</b>	<b>Percent of Levy</b>
2004/2005	2,342,551	2,316,594	98.89%
2005/2006	3,271,079	3,220,862	98.46%
2006/2007	4,418,402	4,301,403	97.35%
2007/2008	4,957,971	4,770,011	96.21%
2008/2009	4,867,571	4,654,481	95.62%
2009/2010	4,308,789	4,162,135	96.60%
2010/2011	4,039,416	3,940,526	97.55%
2011/2012	3,911,676	3,839,152	98.15%
2012/2013	3,817,958	3,766,886	98.66%
2014/2015	4,132,295	4,093,648	99.06%

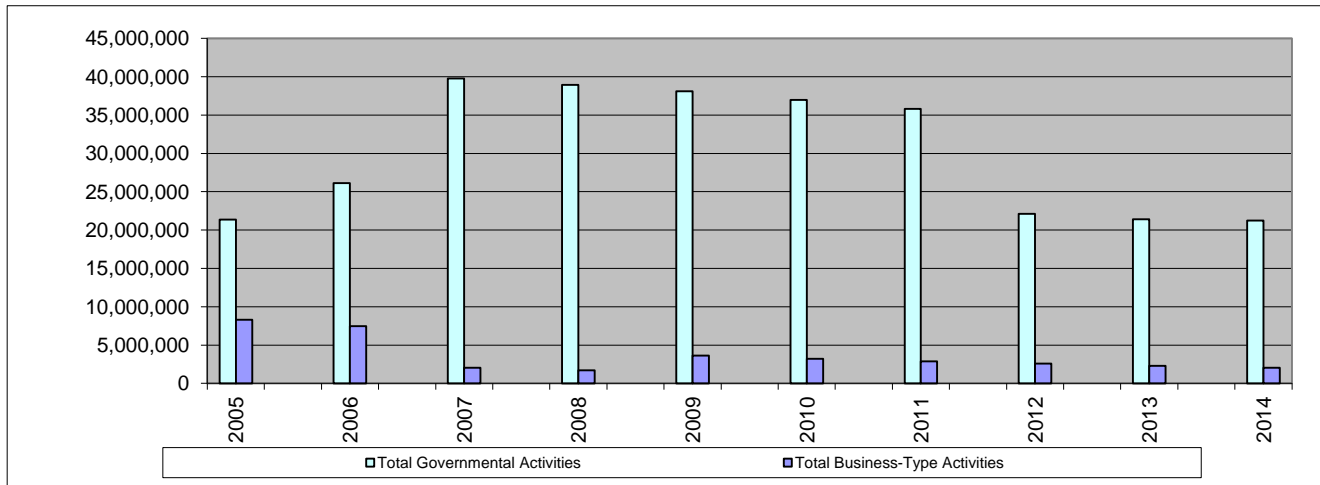
**Notes:**

Current tax collections beginning in 1993 have been reduced by a mandatory tax reallocation imposed by the State of California. Placer County uses an estimate for the delinquency rate and compiles delinquency as a lump sum. Subsequent collections are not broken out by fiscal year from the County; thus, this information is not available.

**Source:** Placer County Auditor-Controller

**CITY OF LINCOLN**  
**Ratios of Outstanding Debt by Type**  
**Last Ten Fiscal Years**

Fiscal Year Ending June 30	Governmental Activities			Business-Type Activities		
	Bonds	Capital Lease	Total Governmental Activities	Loans	Bonds	Capital Lease
2005	21,346,453	-	21,346,453	215,554	8,065,000	-
2006	26,119,819	-	26,119,819	202,917	7,270,000	-
2007	39,764,046	-	39,764,046	189,363	1,840,000	17,330
2008	38,931,732	-	38,931,732	174,826	1,545,000	-
2009	38,089,415	-	38,089,415	159,235	1,270,000	2,203,029
2010	36,957,099	-	36,957,099	142,514	1,020,000	2,031,293
2011	35,814,783	-	35,814,783	124,580	795,000	1,957,869
2012	22,120,687	-	22,120,687	105,345	590,000	1,880,905
2013	21,423,295	-	21,423,295	84,716	410,000	1,800,232
2014	20,710,903	512,089	21,222,992	62,591	260,000	1,715,670



(1) See Demographic and Economic Statistics schedule for personal income and population data.

(2) See Assessed Value and Estimated Actual Value of Taxable Property schedule for property value data.

n/a - information is not available

**Source:** City of Lincoln Annual Financial Reports

<b>Total Business-Type Activities</b>	<b>Total Primary Government</b>	<b>Percentage of Personal Income (1)</b>	<b>Percentage of Assessed Value (2)</b>	<b>Per Capita (1)</b>
8,280,554	29,627,007	4141.16%	0.95%	1,083
7,472,917	33,592,736	4731.74%	0.77%	1,000
2,046,693	41,810,739	4337.80%	0.70%	1,118
1,719,826	40,651,558	4829.77%	0.61%	1,022
3,632,264	41,721,679	4492.16%	0.63%	1,041
3,193,807	40,150,906	4889.98%	0.67%	977
2,877,449	38,692,232	5612.78%	0.69%	895
2,576,250	24,696,937	9270.11%	0.46%	567
2,294,948	23,718,243	n/a	0.46%	541
2,038,261	23,261,253	n/a	0.41%	515

**CITY OF LINCOLN**  
**Direct and Overlapping Bonded Debt**  
**As of June 30, 2014**

2013-14 Assessed Valuation	<u>\$ 5,651,014,973</u>		
	<u>Total Debt</u> 6/30/2014	<u>% Applicable (1)</u>	<u>City's Share of</u> <u>Debt 6/30/14</u>
<b>OVERLAPPING TAX AND ASSESSMENT DEBT:</b>			
Western Placer Unified School District	\$ 4,021,205	83.87%	\$ 3,372,464
Western Placer Unified School District Community Facilities			
District No. 1	12,330,000	99.10%	12,218,414
City of Lincoln Community Facilities Districts	116,380,000	100.00%	116,380,000
City of Lincoln 1915 Act Bonds (Estimate)	40,683,000	100.00%	40,683,000
California Statewide Communities Development Authority			
Assessment Districts	2,369,243	22.172-100	1,332,357
<b>Total Overlapping Tax and Assessment Debt</b>			<u>173,986,235</u>
<b>OVERLAPPING GENERAL FUND DEBT:</b>			
Placer County General Fund Obligations	42,170,000	10.27%	4,330,016
Placer County Office of Education Certificates of Participation	1,815,000	10.27%	186,364
Sierra Joint Community College District Certificates of Participation	9,635,000	7.67%	739,101
Western Placer Unified School District Certificates of Participation	129,070,000	83.87%	108,247,137
Placer Mosquito and Vector Control District Certificates of Participation	4,110,000	10.27%	422,015
<b>Total Overlapping General Fund Debt</b>			<u>113,924,633</u>
<b>OVERLAPPING TAX INCREMENT DEBT</b>	11,440,000	100.00%	<u>11,440,000</u>
<b>Total Overlapping Debt</b>			<u>299,350,868</u>
<b>DIRECT GENERAL FUND DEBT:</b>			
City of Lincoln General Fund Obligations	20,775,000	100.00%	<u>20,775,000</u>
<b>Total Direct General Fund Debt</b>			<u>20,775,000</u>
<b>Total Combined Debt</b>			<u><u>\$ 320,125,868</u></u>
<b>Ratios to 2013-14 Assessed Valuation:</b>			
Total Overlapping Tax and Assessment Debt	3.08%		
Total Direct Debt	37.00%		
Combined Total Debt	5.66%		
<b>Ratios to Redevelopment Incremental Valuation (\$203,571,272):</b>			
Total Overlapping Tax Increment Debt	5.62%		

- (1) The percentage of overlapping debt applicable to the city is estimated using taxable assessed property value. Applicable percentages were estimated by determining the portion of the overlapping district's assessed value that is within the boundaries of the city divided by the district's total taxable assessed value.
- (2) Excludes tax and revenue anticipation notes, enterprise revenue, mortgage revenue and tax allocation bonds and non-bonded capital lease obligations.

**Source:** California Municipal Statistics

**CITY OF LINCOLN**  
**Computation of Legal Bonded Debt Margin**  
**June 30, 2014**

Secured Property Assessed Value, Net of Exempt Real Property	<u>\$ 5,558,822,669</u>
Bonded debt limit (3.75% of assessed value) (a)	\$ 208,455,850
Amount of Debt Subject to Limit:	
Total bonded debt	23,261,253
Less total bonds not subject to limit (b)	<u>(2,550,350)</u>
Amount of Debt Subject to Limit	<u>20,710,903</u>
Legal Debt Margin	<u>\$ 187,744,947</u>

Fiscal Year Ending June 30	Debt Limit	Total Net Debt Applicable to Limit	Legal Debt Margin	Total Net Debt Applicable to the Limit as a % of Debt Limit
2005	113,669,595	21,346,453	113,669,595	18.78%
2006	160,869,623	26,119,819	160,869,623	16.24%
2007	219,400,876	39,764,046	219,400,876	18.12%
2008	247,807,612	38,931,732	247,807,612	15.71%
2009	243,704,320	38,089,415	243,704,320	15.63%
2010	220,690,352	36,957,099	220,690,352	16.75%
2011	205,986,253	35,814,783	205,986,253	17.39%
2012	196,382,539	22,120,687	196,382,539	11.26%
2013	190,725,264	21,423,295	190,725,264	11.23%
2014	208,455,850	20,710,903	187,744,947	9.94%

(a) California Government Code Section 43605 sets the debt limit at 15%. The Code section was enacted prior to the change in basing assessed value at full market value when it was previously 25% of market value. Thus the limit shown as 3.75% is one-fourth the limit to account for the adjustment of showing assessed valuation at full cash value.

(b) Self-supporting debt such as lease revenue bonds and bonds payable from fees and charges of Enterprise Funds are not subject to the limit.

**Source:** City of Lincoln Finance Department

**CITY OF LINCOLN**  
**Demographic and Economic Statistics**  
**Last Ten Fiscal Years**

<b>Fiscal Year Ending June 30</b>	<b>Population</b>	<b>Total Personal Income</b>	<b>Per Capita Personal Income</b>	<b>Annualized Unemployment Rate (%)</b>
2005	27,356	1,226,900,533	44,849	8.1%
2006	33,589	1,589,521,221	47,323	7.8%
2007	37,400	1,813,666,579	48,494	9.0%
2008	39,758	1,963,376,670	49,383	11.9%
2009	40,060	1,874,205,719	46,785	18.5%
2010	41,111	1,963,372,899	47,758	20.2%
2011	43,248	2,171,709,392	50,215	19.1%
2012	43,572	2,289,433,433	52,544	16.9%
2013	43,818	(a)	(a)	14.20%
2014	45,206	(a)	(a)	12.00%

(a) Information not available.

**Source:** California State Department of Finance  
California State Franchise Tax Board  
California Employment Development Department

**CITY OF LINCOLN**  
**Principal Employers**  
**Current Year**

<b>Employer</b>	<b>2013-14</b>		
	<b>Rank</b>	<b>Number of Employees</b>	<b>% of Total City Employees</b>
Western Placer Unified School District	1	590	6.51%
Horizon Charter School	2	240	2.65%
Sierra Pacific Industries	3	200	2.21%
Calhoun Construction, Inc.	4	175	1.93%
Target	5	150	1.65%
Home Depot	6	150	1.65%
Lowe's	7	150	1.65%
B Z Plumbing Company, Inc.	8	120	1.32%
Del Webb Communities, Inc.	9	120	1.32%
Catta Verda Country Club	10	110	1.21%
Subtotal		2,005	22.11%
Total Employed		9,069	

**Note:** Data pertaining to principal employers for nine years ago is not readily available.

**Source:** Hoovers, April 2013 and individual companies

**CITY OF LINCOLN**  
**Full Time Equivalent City Government Employees**  
**Last Ten Fiscal Years**

	Fiscal Year Ending June 30			
	2005	2006	2007	2008
City Manager				
Administration	2.0	2.0	2.0	2.5
Human Resources	2.0	2.0	2.0	2.5
Economic Development	0.8	0.8	0.8	0.3
Records Management	3.0	3.0	3.0	3.0
Administrative Services				
Administration	2.0	2.0	2.0	4.0
Finance	9.5	11.0	11.0	11.5
Information Technology	1.0	2.0	2.0	2.0
Central Services	2.0	2.0	2.0	2.5
Development Services (a)				
Administration	2.0	2.0	2.0	2.0
Planning	6.5	8.5	8.0	8.5
Building	8.0	9.5	11.0	9.5
Development & Engineering	8.0	8.0	9.0	8.0
Financial Analysis	-	-	-	-
Public Services				
Administration	10.0	9.0	11.0	9.0
Environmental Quality / Services	-	-	-	-
Maintenance Crews (b)	-	-	-	-
Engineering	-	-	-	-
Water	10.0	9.9	10.5	9.8
Wastewater	5.0	5.0	5.0	5.0
Solid Waste	11.5	11.5	14.5	11.5
Streets	8.5	6.7	6.6	6.7
Transit	5.5	5.0	5.0	5.0
Airport	3.0	3.0	3.0	3.0
Parks & Facilities	6.0	6.0	7.0	6.0
Fleet Maintenance	8.1	7.0	8.0	7.0
Police				
Administration	5.0	5.0	4.0	6.0
Communications	8.0	7.0	8.0	9.0
Operations	28.5	33.0	39.0	40.0
Fire				
Administration	0.5	-	2.0	3.0
Operations	20.0	23.0	25.0	24.0
Library	4.0	3.5	8.5	11.0
Recreation (c)	5.0	5.0	5.0	6.0
Redevelopment	1.3	1.3	1.3	1.3
<b>Total Full-Time Equivalents</b>	<b>186.5</b>	<b>193.6</b>	<b>218.0</b>	<b>219.0</b>

(a) A 2011 reorganization changed the Community Development Department to Development Services Department and the Public Works Department to Public Services Department. For comparison purposes, divisions are reported in this table under the department where they are currently located and departments are listed by their current names.

(b) In some years, maintenance crews are reported in the budget documents as a total number and in other years they are broken out by division.

(c) Includes regular employees only, does not include part-time seasonal.

**Source:** City of Lincoln Original Budget Documents



2009	2010	2011	2012	2013	2014
2.5	2.5	2.8	2.8	1.8	2.0
2.5	2.0	2.0	2.0	2.0	1.0
0.3	0.3	1.0	-	-	1.0
3.0	3.0	3.0	3.0	3.0	2.8
3.0	3.0	3.0	3.0	2.0	3.0
11.5	9.0	8.0	9.0	10.0	10.0
2.0	2.0	1.0	1.0	1.0	1.0
2.5	2.0	2.0	2.0	2.0	1.0
1.7	1.0	0.5	4.3	3.3	7.3
6.1	5.8	3.4	1.0	1.0	3.0
6.5	4.5	4.0	4.0	4.0	3.0
8.0	4.0	4.1	1.0	1.0	2.0
-	-	1.0	-	-	-
7.5	9.0	5.0	6.0	7.0	12.0
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	2.0
12.8	9.4	7.5	8.1	8.1	10.0
6.0	4.0	3.8	3.5	3.5	6.5
16.1	14.4	13.6	10.3	12.2	13.9
8.1	5.2	4.2	4.2	4.3	6.2
6.5	6.5	7.7	7.0	4.0	4.5
3.0	3.0	2.3	2.5	2.0	2.0
11.0	7.0	5.0	6.0	5.0	5.5
7.5	6.0	5.0	5.0	5.0	5.0
7.0	5.0	6.0	5.0	2.5	5.5
9.0	7.0	6.0	6.0	6.0	6.0
39.0	32.0	27.0	21.0	19.5	16.5
3.0	3.0	3.0	3.0	2.0	3.0
24.0	21.0	21.0	19.5	19.0	18.0
10.5	6.7	5.7	2.0	2.0	3.5
7.0	6.0	5.5	4.0	4.0	4.0
1.3	3.0	-	-	-	-
<b>228.8</b>	<b>187.2</b>	<b>163.4</b>	<b>146.0</b>	<b>137.0</b>	<b>161.2</b>

**CITY OF LINCOLN**  
**Operating Indicators**  
**Last Ten Fiscal Years**

	<b>Fiscal Year Ending June 30</b>			
	<b>2005</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>
Business Licenses				
Annual business license	501	712	740	585
Enviroment and Utilities				
Gallons of wastewater treated per year (in millions)	-	312	848	807
Fire				
Fires per year	n/a	n/a	92	141
Emergency medical calls per year	n/a	n/a	1,208	1,805
Hazardous materials incidents per year	n/a	n/a	23	56
Non-emergency service calls per year	n/a	n/a	817	1,137
Police				
911 calls per year	n/a	n/a	n/a	n/a
Cases investigated per year	n/a	3,535	3,524	2,963
Arrests per year	n/a	708	1,325	1,293
Building Permits				
Building permits issued per year	2,226	2,145	678	192

n/a = information not available

\*\*new licenses applied for

**Source:** City of Lincoln

<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>
576	498**	1,916	-	1,120	1,182
848	1,024	1,145	995	842	1,049
133	115	114	134	137	121
2,065	2,059	2,047	2,212	2,465	2,667
58	55	45	35	45	49
865	836	1,027	857	933	969
4,501	9,253	9,597	10,187	10,998	8,710
2,792	2,291	2,134	1,890	1,898	1,142
989	735	602	458	429	314
126	116	56	138	314	280

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